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ENHANCING FOLIAGE SALES • FOODSERVICE BUYING OPTIONS

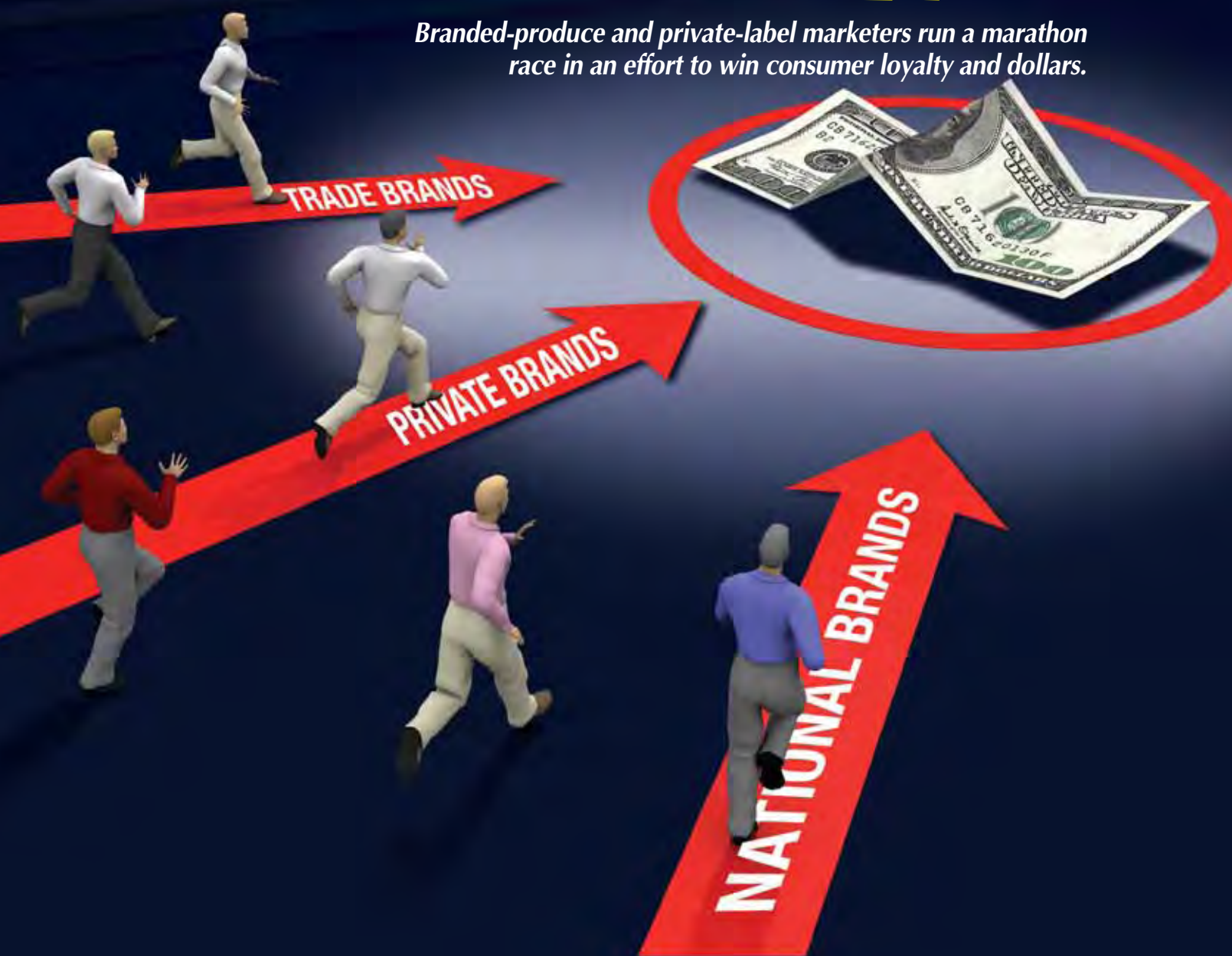
producebusiness

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MARKETING • MERCHANDISING • MANAGEMENT • PROCUREMENT

THE BRANDING RACE

Branded-produce and private-label marketers run a marathon race in an effort to win consumer loyalty and dollars.





Introducing the NEW Salad Guide from DOLE

Salad Guide

TASTE MILD 1 2 3 **4** 5 BOLD

TEXTURE TENDER 1 **2** 3 4 5 CRUNCHY

Part brains, part beauty, the new DOLE Salad Guide is a revolutionary new packaging feature placed prominently on the front of each DOLE blend, helping customers shop for salad in a totally new way.

The DOLE Salad Guide's easy-to-read Taste and Texture scales rate each DOLE salad to enable the customer to quickly find the type of flavor and level of crunch he or she wants. Each bag also features a "Pairs well with..." section, right below the scales. These helpful suggestions are unique to each blend and are created by our Dole Chefs, encouraging customers to spruce up their salads by sending them to parts of the produce section they never even imagined.

The new DOLE Salad Guide is transforming salad as we know it. With flavors that range from mild to bold and textures that take you from tender to crunchy, the possibilities and pairings are endless and the culinary inspiration is right there on the bag.

For more information on our new packaging or produce, please contact your Dole sales representative.

dole.com





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THIS MONTH'S WINNER:



Anthony Colonna, IV
Produce Buyer
Sunshine Market Inc./
Scott Grocery Co.
Wilkes Barre, PA

How To Win

To win the PRODUCE BUSINESS Quiz, the first thing you have to do is enter. The rules are simple: Read through the articles and advertisements in this issue to find the answers. Fill in the blanks corresponding to the questions below, and either cut along the dotted line or photocopy the page, and send your answers along with a business card or company letterhead to the address listed on the coupon. The winner will be chosen by drawing from the responses received before the publication of our March issue of PRODUCE BUSINESS. The winner must agree to submit a color photo to be published in that issue.

Anthony Colonna is what you might call a "lifer" in the produce industry. He came of age in his family's retail grocery business, Sunshine Market Inc./Scott Grocery Co., which his grandfather started more than 60 years ago. Today, he is the produce buyer for the store, meaning he is responsible for the procurement of produce, as well as its pricing and merchandising throughout the department.

This is where PRODUCE BUSINESS comes in. Anthony relies on the magazine for "its helpful merchandising and marketing tips. It gives me new ideas to carry through in the store," he says.

Unfortunately, the family store will be closing its doors, but not to worry, Anthony isn't going anywhere. "I'll definitely remain in the industry. Maybe I'll start my own company, or join someone else's, but there is something in the works for sure," he says. "Produce is an exciting place to work. There is something new happening every day, so I couldn't imagine just completely moving on from it."

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QUESTIONS FOR THE JANUARY ISSUE

- 1) What is the Web site for Mann's Sunny Shores? _____
- 2) In what city will Southern Exposure take place in 2010? _____
- 3) Who is the contact at Mex Best? _____
- 4) What brand of clementines is marketed by LGS Specialty Sales Ltd? _____
- 5) What is the name of the packaging used by Brooks Tropicals to package its starfruit? _____
- 6) What is the address for the Tanimura & Antle headquarters? _____

This issue was: ☐ Personally addressed to me ☐ Addressed to someone else

Name _____ Position _____

Company _____

Address _____

City _____

State _____ Zip _____

Phone _____ Fax _____

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WASHINGTON GRAPEVINE

A report on the inside happenings of government.

AN INTERVIEW WITH CONGRESSMAN SAM FARR (D-CA) ON THE CHILDREN'S FRUIT AND VEGETABLE ACT



The Children's Fruit And Vegetable Act

On December 16, 2009, U.S. Reps. Sam Farr (D-CA) and Adam Putnam (R-FL) introduced the Children's Fruit and Vegetable Act of 2009 (H.R. 4333), legislation aimed at breaking down barriers to healthful foods in American schools. The bill directs the USDA to encourage the use of salad bars in school cafeterias, a proven strategy for increasing fruit and vegetable consumption. United Fresh has worked closely with Rep. Farr to craft the bill and garner support. Herewith, United Fresh speaks with Rep. Farr about the implications of this landmark bill.

Q: What was the motivation to lead the effort for a salad bar bill?

A: I see this issue from two distinct sides, both child nutrition and the agricultural industry. It's rare that we find an issue that is as obvious a win-win as the Children's Fruit and Vegetable Act. As a congressman and former state assemblyman and county supervisor, I've spent a lot of time in classrooms. During my visits, I have seen what our school feeding programs are doing to our children. Occasionally, I visit cafeterias and see the foods being served and I know something is wrong, but I've also had the chance to see how things can be done right.

The Alisal Union School District in Salinas, CA, is comprised of 11 elementary schools, and every school has a small fruit and vegetable bar. The students love the salad bar. They love choosing their own foods and talking to their friends about it.

Concerns such as food safety and waste were addressed. Young children are comfortable using tongs and are probably cleaner than many adults, noted District Superintendent Esperanza Zendejas, who also reported very low levels of waste. Pair this with an incredible new market for growers of fresh fruits and vegetables and this campaign to improve the health of our school lunches is a no-brainer.

Q: What are some of the logistical challenges involved with getting more salad bars in schools?

A: The obvious obstacle is funding. Fruit and vegetable bars, which are a proven strategy to get more kids to eat fresh produce,

aren't cheap. They can cost up to \$7,500, but I say that's a small investment to radically improve our children's eating habits.

The legislation also includes \$100 million for larger cafeteria equipment purchases, which will help schools that lack cafeterias or suffer from old equipment. Earlier this year, the Recovery Act offered \$100 million to schools for such purchases, but was overwhelmed with \$650 million in requests.

There are other barriers, ranging from initial school surveys conducted by USDA to transportation and storage to school deliveries. My bill instructs USDA to "implement a plan to identify and remove barriers to facilitate the equitable purchase of fruits and vegetables within the procurement and distribution systems."

Q: When United Fresh showcased a salad bar at its Fresh Festival on Capitol Hill event in September, the reception from other lawmakers seemed very positive. How have other members of Congress reacted to this initiative?

A: The response has been very positive. As I said, this is truly a win-win bill for our nation's children and our farmers. From a political standpoint, the funding levels we're talking about are not very high for the potential results. I held a briefing on the bill in early December and more than 50 staff members attended. I also collected more than a dozen original co-sponsors before the bill was introduced and I'm confident many more members will join the effort.

Q: How have nutritionists and school authorities reacted to the salad bar initiative?

A: A study by Dr. Wendy Slusser, director of UCLA's Fit for Health Program, and Harvinder Sareen, Director of Clinical Programs at WellPoint, found that fruit and vegetable consumption increases significantly when fruit and vegetable bars are introduced to cafeterias.

But seeing is believing. Superintendent Zendejas says almost all the children in her 11 schools go through the salad bar line before they get their hot meals, using fruits and vegetables to form the foundation of



From left, Reps. Adam Putnam and Sam Farr join United Fresh's Tom Stenzel in celebrating the introduction of the Children's Fruit and Vegetable Act of 2009.

what they eat.

During the recent briefing, Dr. Slusser said, "I will never forget the first day of the salad bar program at Hooper Elementary School when I saw a third grader kissing his orange and saying it was the best day of his life." Experiences like those will convince even the most hardened skeptic.

Q: Can you share some insights into the economic win-win this bill represents for both children and growers?

A: Teaching kids to eat healthfully leads to a lifetime of healthful habits. If we make consumption of fruits and vegetables the norm, that won't change as children grow older. We need to break the cycle of fast food and that must start at a young age. Not only will we limit the frequency of obesity and other weight-related conditions, we'll create a whole new market for the fruit and vegetable industry.

Q: What can produce industry members do to support the bill?

A: The most important step is the simplest: call your member of Congress and your senators and ask them to become a co-sponsor of this bill. It's also worth telling them to insist fruit and vegetable provisions be included in the Child Nutrition Act reauthorization that Congress will be working on in the spring. The more people who call, the more people who voice their approval of health meals for our schoolchildren, the more likely this bill will pass to the benefit of our entire country.

MISSION PRODUCE INC. OXNARD, CA

Joe Nava was hired as a sales representative. His duties will include handling current and prospective accounts and attending industry trade shows. He is a graduate of Cal Poly State University, where he earned a degree in agribusiness with a concentration in marketing. He initially began working for Mission in operations and previously interned with Driscoll's and Famous Software.



Mike Haynes was hired as a sales representative. His duties will include servicing new and existing retail and foodservice accounts. He brings more than 20 years of experience in the produce industry and has spent the last three years with Freska Produce, exclusively selling avocados.



NATURIFE FARMS NAPLES, FL

Dwight Ferguson was appointed to CEO/president. He most recently served as the CEO of Eurofresh Inc., where he led expansion efforts to make it a leader in the greenhouse vegetable industry. Prior to Eurofresh, he led Florimex Worldwide and Florimex International BV.



DOLE FRESH FRUIT COMPANY WESTLAKE VILLAGE, CA

Walter Frohmader was promoted to assistant district sales manager for the western division. He will be responsible for assisting the western division's district managers in all aspects of Dole banana sales. He joined Dole in 2007 as a technical service representative and was later promoted to assistant manager of Dole's technical service department.



NEW PRODUCTS

RED SEEDLESS GRAPE CUPS

Imagination Farms, Indianapolis, IN, launched Disney Garden Red Seedless Grape Cups, a wholesome snack alternative in attractive packaging featuring characters from Disney/Pixar's Toy Story. They're available in a 4-pack sleeve or individual, 3.5-ounce single-serving packages. The cups are available nationwide from Delano Farms, Delano, CA.



Reader Service No. 300

CFI's INTERACTIVE PEAR DISPLAY

Columbia Marketing International, Wenatchee, WA, introduced its Interactive Pear Display with bright graphics and an interactive pear, wine and cheese spin wheel that allows consumers to learn about pears and the diverse taste combinations available. Easy to assemble and display, it ships with two cases of pears. All components are delivered in one box for easy setup.



Reader Service No. 301

ANNOUNCEMENTS

PMA FOUNDATION AWARDS TIP MURPHY SCHOLARSHIP

The PMA Foundation for Industry Talent, Newark, DE, awarded Nichole Towell (right), marketing development manager for Oviedo, FL-based Duda Farm Fresh Foods, the second Tip Murphy Scholarship for Leadership Excellence. Towell will use the scholarship to participate in PMA FIT's Leadership Symposium in January.



Reader Service No. 302

CAIA PARTNERS WITH SUPERMARKETS TO PROMOTE AVOCADOS

The Chilean Avocado Importers Association, Washington, D.C., teamed up with U.S. supermarkets to drive produce sales using eye-catching, in-store promotional materials and a comprehensive marketing program. The promotions include a sports-themed campaign, the Chilean Avocado Lovers Club and a creative display contest.



Reader Service No. 303

MANN PACKING TARGETS WINTER SEASONAL CONSUMERS

Mann Packing, Salinas, CA, launched three new items to capitalize on fresh produce sales for winter seasonal cooking and entertaining events. Mann's Sunny Shores new Dip Combo platter features two of America's most popular dips: Home-Style Ranch and Creamy Dill. It also launched Lo Mein Stir Fry and Diced Butternut Squash in 12-ounce and 20-ounce packages.



Reader Service No. 304

TANIMURA & ANTLE PATRIARCH RECEIVES COMMUNITY AWARD

Bob Antle, co-chairman of the board for Tanimura & Antle, Salinas, CA, received the 2009 Ben Heller Award for Courage and Leadership at the Center for Community Advocacy's 14th Annual Dia de los Muertos Banquet. Antle earned the award in honor of his long-time advocacy work supporting the health and housing cause for farm workers and their families.



Reader Service No. 305

SPANISH CLEMENTINES NOW AVAILABLE FROM SEALD SWEET

Seald Sweet International, the Vero Beach, FL-based co-packer for Imagination Farms, Indianapolis, IN, received its first loads of Spanish Clementines in the United States. Although it has shipped Disney Garden citrus since May, 2007, this marks its first shipments of Disney Garden Spanish Clementines from grower Jorge-Garcia Ballester.



Reader Service No. 306

SIX L'S EXPANDS ACREAGE AND ADDS CROPS

Six L's Packing & Custom Pak, Immokalee, FL, started the Florida harvest season with expanded acreage and several new crops. New offerings include sweet corn and green beans, along with nearly double the acreage of potatoes. For the 2009-2010 season, the grower will be harvesting more than 16,000 acres of Florida fruits and vegetables.



Reader Service No. 307

Produce Watch is a regular feature of Produce Business. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a color photo, slide or transparency to: Managing Editor, PRODUCE BUSINESS, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at info@producebusiness.com

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The Great Disconnect

With efforts to establish a national generic promotion order for produce set aside right now, this leaves open the question of how the industry can increase sales volumes. Since population growth in the United States is modest, this is really the same question as asking how the industry can boost consumption.

Clearly much of the burden will fall on the initiatives of individual companies. Last year, we had high profile efforts by Dole to re-imagine the bagged salad category and Del Monte Fresh to expand the availability of fresh produce in vending machines. These efforts, of course, were just the proverbial tip of the iceberg as countless produce industry participants tried all kinds of efforts to increase their own sales.

It also would be wrong to count out generic promotion, but the most likely form such promotion would take would be commodity-specific promotion typically incorporating both domestic and imported product from all regions — roughly along the lines of the National Watermelon Promotion Board or the National Mango Board. In truth, any multi-product national board would have quickly found itself under pressure to make certain that each commodity got promoted in proportion to the financial contribution of its supply chain. So an increase in the number of commodity-specific generic promotion boards might result in an effort not completely dissimilar to what would have come out of a national total industry effort. One wonders if the efforts of the leafy greens industry to nationalize its food safety standards won't lead to such a promotional group.

It is also possible that changes in technology are opening up new ways of communication that may make traditional models less important or even obsolete. The fact that commodity promotion groups that are established these days are likely to be national rather than state-based and include imports is itself a hat tip to the internationalization of commerce.

The suite of so-called social media — everything from Facebook to Twitter and beyond — has also altered the range of possibilities for companies and farmers to promote themselves and in a way is very much in line with trends toward local production. Even some of the traceability technology, such as YottaMark's program that gives consumers the power to trace back their produce, could also

be used as a marketing tool. If a consumer enters a code on a package and gets a field number and location, why not also a Website with a video of the farmer explaining his care and devotion?

Yet, in the end, produce promotion is hindered by a great disconnect between the producers and the consumers. That space is filled by retailers, and retailers have the real power to increase produce consumption.

**Produce
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Going back to the launch of the 5-a-Day program in California, it was recognized that retail support would be key. The focus, though, was on promotion, and the extent of retail support was tallied in "impressions" on things such as signs, bags, twist-ties and in best-food-day ads.

This promotion has real value but what the production side of the produce industry really needs from the retail segment is a different kind of support. They need a vow to always have in stock the items consumers want — say bananas at different stages of ripeness. They need a commitment to nurture new products. New varieties and fresh-cut items... even extensions into more prepared items require time for consumers to become familiar with the products, to acquire new habits, etc.

The problem with all this is that retail top executives don't really care if they sell produce as opposed to something else, and this is becoming increasingly true. Traditionally, although a retail CEO might not care if the chain sold more deli and less produce, the produce team did — and not just because of that year's bonus. They cared because they were produce people, not retail people, and their next job was more likely to be with a shipper or consulting in the produce trade than in retail selling lawn mowers.

Today, though, younger produce executives, especially at places such as Wal-Mart, are more likely to have a skill set applicable to

retailing than produce, and their next job is more likely to be retailing a different category than working for a produce shipper.

So as we enter the second decade of the 21st century, the challenge for the industry is clear: We are constrained in our ability to market direct to consumers so we rely on retailers to function as the "front end" of the produce marketing chain. Yet these retailers do not have the same commitment to the category that produce vendors do, so the question we confront is how do we, as an industry, incentivize and inspire retailers to commit to produce? **pb**

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Brand Performance And Produce



What role do brands play in produce performance? Does a produce brand work as a key driver in consumer purchase decisions or is a produce

brand merely an overlooked component that is largely irrelevant to the end buyer?

The common denominator among successful brands is product consistency. The buyer must be able to confidently associate the brand with a set of product attributes that are inherent in every purchase. Product variability equals brand death (or at least a brand known for being unreliable). I doubt many people would rank McDonald's high on the food quality scale, but when it comes to consistency, McDonald's rules the roost. Customers know exactly what to expect and get it on a consistent basis. As a result, the customer can quickly align the food at McDonald's with an individual price/value equation. In short, every consumer knows exactly what to expect and can develop brand tiers based on experience.

For obvious reasons, product consistency remains a significant challenge in the produce department. Despite the best intentions of very talented growers and shippers, seasonal weather patterns often result in fruits and vegetables with lower flavor, less shelf-life and/or inconsistent appearance. Transportation problems, distribution issues or poor shelf management at the retail level can sabotage.

To gain an understanding of how consumers view branding in produce, The Perishables Group recently included questions on produce branding in a national survey. One thousand national consumers were asked to rank the importance or unimportance of various produce purchase factors. Consumers were asked to rate these factors on a 1 to 5 scale, with 1 being not important

at all and 5 being extremely important.

In addition, we asked the consumers to tell us if these factors have changed over the past year. We included this question because we wanted to understand if the recession was altering the consumer purchase hierarchy.

The 2009 national online survey asked 1,000 consumers who were the primary household food shopper. There are several observations that can be made:

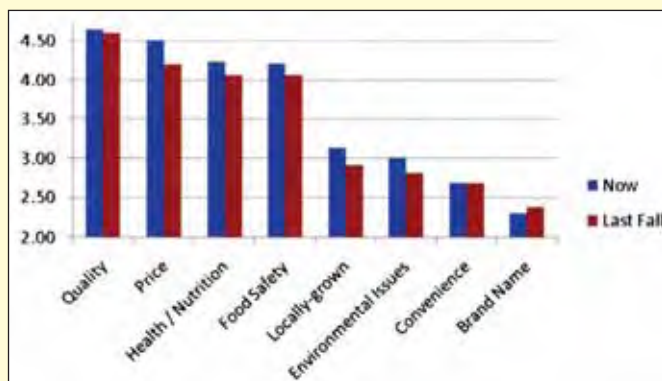
1) **Quality — or at least the perception of quality — remains the No. 1 purchase driver.** Not surprisingly, poor quality produce holds little value for consumers.

2) **Price ranks a close second in importance as a purchase-driver only slightly behind quality in terms of importance to consumers.** Moreover, when you look at how consumers report the importance of price, you can see a significant upward shift since last fall, indicating shoppers are placing more emphasis on price than in the past.

3) **Brand ranked fairly low in importance to consumers.** In fact, brand was the only purchase factor listed that declined in importance. Every purchase factor except brand was scored as having slightly higher importance compared to last fall.

4) **The top four purchase factors (quality, price, health/nutrition, food safety) show significantly stronger influence on consumer decisions than the tier of the next four factors.** These lower four (locally grown, environmental issues, convenience, brand) all ranked around neutral or slightly below.

Here's the challenge: Despite what you see in the graph, it is a mistake to conclude that brands are unimportant to consumers. Rather, the results reflect two realities of produce mar-



2009 national online survey of 1,000 consumers that are the primary household food shopper.

keting. First, for most produce items, distribution is inconsistent. As a result, even if a consumer finds a produce "brand" they feel is superior, that product may or may not be in the store the next time they shop. It will almost certainly not be available at competing stores for comparison-shopping. Inconsistency in distribution reduces important opportunities for building brand impressions.

Second, for most produce items, consumers must generally make variety choices, rather than brand choices. Unlike center-store, the consumer has no purchase alternatives to select from generally similar products from competing brands. There is one banana, one Navel orange, one celery bunch and one 3-lb. bag of Gala apples. As a result, this basic merchandising reality works to undermine brand importance among consumers. Not surprisingly, these factors limit the ability of consumers to utilize branding as the default validation of product quality and value. So consumers instead rely on visual cues and price.

There are successful produce brands. Our internal data tracking shows there are select produce brands in specific markets with considerable purchase power over consumers resulting in very strong category performance. But the survey results reflect that brand success requires atypical retail execution that most produce organizations, and perhaps most retailers are unprepared or unwilling to implement.

The Perishables Group is an independent consulting firm focused on innovation and creating value for clients in the fresh food industry. Find them online at www.perishablesgroup.com

Branding Incorporates Many Traits



When confronted with a graph such as the one presented on page 10, one is confronted with valuable information, but the question is what retailers can make of this

information. That an attribute such as quality should rank high “when deciding what produce items to purchase” is not surprising, yet it is not clear what action should be taken as a result of learning this information.

In the first place, because quality is so widely recognized as an important motivator of consumer actions, all successful retailers almost by definition provide at least “adequate” quality. How could it be otherwise? If a chain consistently provided terrible quality, the chain would go out of business. So in this sense, quality may be the ante necessary to play in the game, leaving lesser-ranked items as the key differentiating factors for retailers to consider.

Second, quality is a relative characteristic. The question posed was related to deciding “what item to purchase,” not where to shop. So the vision is that the shoppers ensconced in Wal-Mart or Whole Foods look to the quality of the item — not necessarily that the shopper would switch stores because a different store had higher quality.

Third, quality is not an independent variable. Typically, as quality goes up, so does price, the No. 2 item in the graph. The graph does not assess how consumers would value a trade-off between quality and price.

Fourth, what is quality anyway? A nice firm tomato is perfect for slicing for sandwiches, but a softer one would be better for making salsa.

Fifth, although consumers might say these things in response to a survey, it is hard to know how they would actually act on such concerns. For example “food safety” ranks in the top four criteria consumers say they use in selecting which items to purchase. Well, perhaps during an outbreak, consumers

might avoid an item, but how, precisely, would consumers decide whether to buy a pear or a peach based on food safety concerns? A radish or a rutabaga?

We remember when PRODUCE BUSINESS ran a series of focus groups and some consumers claimed they avoided pesticides on their purchases. When asked how they did so, one woman explained that the Surgeon General says what pesticides are on each item! It seems highly likely that consumers may claim to use food safety as a criterion but, in actuality, have no way to do so.

Sixth, the claim that health and nutrition influence consumer purchases is certainly true. All produce, however, has some redeeming health or nutrition characteristic, and shoppers buying for a diverse diet really have no reason to exclude one item or another. This author once did some demos on artichokes in retail stores and heard from some consumers that they were hesitant to buy artichokes because they loved to eat them with butter and they knew the butter was high in fat and calories. So, perhaps, this might indicate that artichoke producers should focus on teaching consumers about alternative ways to enjoy artichokes. By and large, though, there is no known correlation between the healthful attributes of produce and its rank in sales popularity.

Equally, when one looks at an issue such as branding, Steve Lutz concisely lays out the major issues. Yet in research, the answer you get depends almost entirely on the question you ask and, perhaps, thinking about a brand name as an attribute that one would use in “deciding what produce item to purchase” is not quite the same thing as asking if consumers prefer branded to unbranded produce.

When you go down the graph you notice the attributes divide into three segments. There are attributes that consumers can easily discern: Price; where it is grown (with today’s COOL law); convenience; and the name on the item. There are also attributes consumers can’t really determine by simply observing the item: Food safety and environmental issues. Then there is quality and health/nutrition,

Branding, in and of itself, may be a tool that builds confidence in some of the attributes that are difficult or impossible for consumers to ascertain for themselves.

which can be partially observed or known in advance and partially can’t be seen or known in advance.

Branding, in and of itself, may be a tool that builds confidence in some of these attributes that are difficult or impossible for consumers to ascertain for themselves. In other words, a consumer may not be able to tell that an item is grown to high food safety standards, but the consumer may feel that a branded producer has a lot to lose, and so, takes better care.

Sometimes, a brand can come to mean something specific, so consumers concerned with environmental issues may seek out, for example, an organic brand.

Steve’s analysis is astute when he identifies the Achilles heel of produce branding as being inconsistent quality, and the Achilles heel of branded produce promotion as far from universal availability. Yet, branded produce endures with great names consumers all know and, much to the chagrin of all consumer researchers, these names influence consumers on an emotional level that consumers themselves can’t always articulate.

Branded Giants Should Pay For Produce's Halo Effect

From Jim Prevor's Perishable Pundit
December 9, 2009



We were writing this Pundit while up in Long Island. Mrs. Pundit had run into a Stop & Shop to pick up some pharmaceuticals, but she also brought the Jr. Pundits some sustenance in the form of a master pack of Mott's brand sliced apples.

These are marketed by C.H. Robinson and are part of its niche brand strategy, whereby it acquires or creates separate brands for different product lines or categories. So C.H. Robinson uses Mott's in the apple category, Tropicana in the citrus category and Welch's in the grape category.

For awhile, C.H. Robinson was using Newman's Own for use in the organic bagged salad business until Paul Newman, may he rest in peace, got cold feet when, as a result of the spinach crisis, he realized what a food safety issue with fresh produce could do to his brand. Suddenly, the licensing fee didn't seem worth it at all and he brought the project to a halt. Eventually, C.H. Robinson set up its own brand, Our World Organics, which we wrote about on September 14, 2007, for the broader organic and natural category.

Paul Newman's instinct was understandable, and we have long said that we have severe doubts that organizations, such as Disney, have ANY stomach for being associated — even once — with the severe illness or death of a child. The very first such incident will likely be the last because the licensing deal will be terminated at once.

Yet as we sit here munching on Mott's brand sliced apples — we stole a few from the Jr. Pundits to check them for quality, which was quite good — it occurs to us that the whole licensing model is kind of upside down when it comes to brands best known for processed products. We are not privy

to any secret information but, presumably, C.H. Robinson pays some sort of licensing fee to Mott's, Tropicana and Welch's in order to use such well-known brands. That is the way the business works.

We would suggest, however, that if these branded food organizations had a truly sophisticated understanding of the intersection of their interests and the fresh market, they would pay C.H.

Robinson a fee for each box of fresh product sold — especially fresh product, such as these apple slices, that is generously labeled Mott's at the consumer level.

Why should these branded giants do this? Simple — the halo effect that freshness has on the processed product.

We've known about this for years. Ocean Spray has persevered in the very difficult fresh cranberry business long after it was insignificant to either sales or profits, because the consumer seeing those Ocean Spray fresh cranberries each fall in the produce department thought better about Ocean Spray juices year-round.

So the real interest of the owners of these brands is to maximize the consumer exposure to the product in a fresh form. Let every mom reaching out for juice or jelly be thinking about Mott's delicious, fresh apples, Tropicana's fresh, navel oranges and Welch's tasty, fresh grapes. Surely, moms will surmise that the processed product is made from the same fresh product that they know and enjoy.

The license fee paid to use the names on fresh must be inconsequential, but the change in consumer perception is priceless.

Focusing on maximizing licensing fees is simply penny-wise and pound-foolish.

We would suggest that if these branded food organizations had a truly sophisticated understanding of the intersection of their interests and the fresh market, they would pay C.H. Robinson a fee for each box of fresh product sold — especially fresh product.

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plans now to enter. Watch the Retail Section of watermelon.org for details of the Second Annual Watermelon Display Contest.

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This winter season, your customers are even more aware of the need to stay healthy. Rates of obesity continue to rise, inclement weather makes it hard to stay fit and reports of flu pandemics all combine to drive consumers to search out healthy food options they know and like. Watermelon is just what the doctor ordered. The latest research shows that in addition to tasting great, watermelon is particularly good for heart health. The amino acid Citrulline, found primarily in watermelon, has been shown to help the body's cardiovascular system. According to both the FDA and the USDA, "Watermelon can help maintain cardiovascular health." With February being designated as National Heart Health Month, it's a perfect time to promote watermelon as part of a heart healthy diet.



These stickers are available for free – email info@watermelon.org to order yours. They look great on whole watermelon and fresh cut packaging alike!



The National Watermelon Promotion Board (NWPB) is based in Orlando, FL, and represents 1,500 growers, shippers and importers. Through research, communications and marketing initiatives, the NWPB is finding new ways to enhance market opportunities for farmers and promote the nutritional, culinary and convenience benefits of watermelon.



The National Watermelon Association (NWA) in Plant City, FL, has members in 30 states and Canada. The purpose of the Association is to promote the best interests of the Watermelon Industry from production to consumption. NWA is constantly seeking improvements in the growing, grading, handling, transportation, distribution and sale of watermelon.

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THE BRANDING RACE



Branded-produce and private-label marketers run a marathon race in an effort to win consumer loyalty and dollars.

BY JODEAN ROBBINS

While research shows branding appeals to consumers, it is typically more successful in consumer packaged goods (CPG) than fresh produce. Although some success has been established with certain items, others are just beginning the branding marathon. "I see the battle for branding as a three-way race of national brands, trade brands and private brands," explains Don Goodwin, president and owner of Golden Sun Marketing (GSM), located in Minnetrista, MN, and co-founder of Imagination Farms, the Indianapolis, IN-based exclusive marketer of the Disney Garden brand in North America.

"There is a role in the produce department for national brands and private labels," says Steve Ottum, chief operating officer for Potandon Produce LLC, marketer of Green Giant brand potatoes and onions, based in Idaho Falls, ID. "The ultimate goal is to provide the broadest choices to consumers and have the highest odds of success of meeting as many consumer needs as possible."

Branding is not so much an issue of name recognition as of established value. Veronica Kraushaar, president of Viva Global Marketing LLC, in Nogales, AZ, explains, "Brands have made an impact, going all the way back to what may be the first produce brand, Sunkist, intro-

duced in the early half of the last century. The challenge is whether the supplier has the resources to not only ensure high quality, but to promote the brand to maintain its leadership in the marketplace."

"Produce has been branded for quite a while with companies such as Dole, Chiquita and Sunkist," adds Bud Floyd, vice president of marketing for the sourcing division with C.H. Robinson Worldwide Inc., headquartered in Eden Prairie, MN. "Each of those brands comes with a certain heritage and attributes as it relates to the consumer. Where people go astray is to look at branding as a cure-all remedy. Branding does have a role in the marketplace, but on various levels."

The Challenges

Branding fresh produce presents multiple challenges due to the unique nature of the business. Lorri Koster, co-chairwoman and vice president of marketing for Mann Packing Co. Inc., in Salinas, CA, points out, "Brands have a challenge with perishables because at the end of the day, people shop with their senses. How does the product look? Smell? A bag of produce could have a Gucci label, but if the product inside does not look fresh, the brand quickly becomes irrelevant."



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"Produce is unique when it comes to brands and private labels," states Kevin Fiori, vice president of sales and marketing for Sunkist Growers Inc., in Van Nuys, CA. "Unlike packaged foods, you can see, feel and smell produce, so quality is transparent prior to the purchase."

Success in branding is linked to particular products or categories. "Branding makes a difference in certain categories, but not in all," says Paul Kneeland, vice president of produce and floral for Kings Super Markets, headquartered in Parsippany, NJ. "For example, in bagged salads, it works because it relates a consistent quality of product and builds trust with the consumer. In other categories, we like to see loose product on display, which is more appealing to the customer."

"It depends on the produce item and brand," agrees Candice Blackmoore, director of marketing for Apio Inc., in Guadalupe, CA. "While some people respond to particular brands for quality, convenience or packaging, produce overall is easily substituted. While brands may represent some importance in features or benefits, it often comes down to price, especially now, as many consumers will forgo their preferred brands to seek better deals either in bulk or private label."

Limited choice and space in produce departments is another constraint. "The general lack of multiple brand choices in produce both complicates and simplifies the branding issue, depending on your perspective," explains Joe Caldwell, vice president of Monterey Mushrooms Inc., in Watsonville, CA.

"It would be impossible for us to carry multiple brands in all produce," admits Kneeland. "Already, we have categories like bagged salad where we do need to carry multiple brands, but all this puts pressure on space."

Despite the challenges and economic uncertainty, the competition to define brands and position products in produce continues. "Regardless of the economic cycle, consumers

"The future is bright for branded produce. Even when the economy improves, consumers say they will continue to buy branded salads and other items for lunch instead of eating at restaurants."

**— Peter J. Collins
Food Marketing Institute**

demand high-quality, fresh produce," says Bill Goldfield, communications manager for Dole Fresh Fruit Co., in Westlake Village, CA. "In more difficult economic periods, consumers become even more picky about quality to ensure the maximum value is derived from their produce purchases, and known brands, such as Dole, instill that value concept."

Consistency in branded product will forge trust with consumers. "Consumers trust brands, such as Del Monte, to consistently deliver premium quality produce, and because of this, even in the current economic climate, many will continue to buy branded produce," maintains Dionysios Christou, vice president of marketing North America for Coral Gables, FL-based Del Monte Fresh Produce N.A. Inc. "They want to be reassured the produce they are buying is safe and from a reliable source. When they see the Del Monte shield on products, they are comforted knowing the value the brand brings."

"The future is bright for branded produce," reports Peter J. Collins, director of industry relations and development for the Food Marketing Institute (FMI), in Arlington, VA. "Even when the economy improves, consumers say they will continue to buy branded salads and other items for lunch instead of dining out."

Private Label: Stores As Established Brands

A strong contestant in the branding race is

the retail name itself, as studies after studies have shown that consumers choose a retailer based on the produce. "The brand most important to the consumer from a produce perspective is where they shop," explains Caldwell. "They'll say, for example, 'I love the produce at Wegmans.' Essentially, the store is the brand for the entire produce experience, not just what's found on or inside a package. Consumers trust the store is buying the best product for them."

"Our store is a brand," Kings' Kneeland agrees. "Where customers shop is in the forefront of their decision on brands."

"Every retailer has their own go-to-market strategy," says Floyd of C.H. Robinson. "Everybody wants to differentiate themselves and have a well-defined consumer proposition. This is what's occurring at some of the larger retailers as they're choosing to move to private label. They're taking the brand over their door and creating a branded product."

As retailers have recognized the value and power in their name, private label has become an increasingly used tool throughout the store. "Somewhere in the low 20 percent store-wide of products sold through the register are private label," adds Floyd. "Some of this is being driven by economics and some is driven by retailers wanting to differentiate themselves and create a more significant identity with current and potentially new shoppers."

"The economy has affected the way consumers shop," contends Collins. "They want value and will not compromise on their expectations. Private brands are not a fad, but a long-term shift in consumer buying behavior."

"Most recently, private brands seem to be gaining share in several categories," says GSM's Goodwin. "Many of the large retailers, including Wal-Mart, Safeway, Kroger and Supervalu, have expanded the presence of private brands in their departments. Many times, the drive to do this has less to do with price and is more about the consistency of look on the shelf or support of company branding programs. In reality, private brands are not always about value to the consumer or the supplier."

Target recognizes guests have come to rely on them for what they term 'owned brands' that are innovative, well designed and afford-



Photo courtesy of Stemilt Growers Inc.

While Stemilt is technically a trade brand, it reaches out to consumers with a variety of campaigns and branding techniques, such as labeled fruit cartons.

ably priced. Jana O'Leary, spokesperson for Target Corp., in Minneapolis, MN, explains, "Our Market Pantry collection offers the quality of a national food brand at a fraction of the price. Our Archer Farms line is a premium, affordable brand of superior-quality grocery products. Last August, we launched Archer Farms Simply Balanced, a new collection to provide wholesome, yet great-tasting options for our guests."

Private label in produce presents a unique set of challenges for retailers and suppliers, beginning with the cost equation. "Most of the store brand products don't sell for a significantly lower cost than our brand would because of the margin factor," remarks Mann's Koster. "We don't have advertising dollars built in that would be stripped out and passed on to the consumer in terms of other, lower cost categories, such as breakfast cereal. Most retailers are moving to their own brands to build a loyal relationship with their shoppers."

"In the grocery section, retailers can go to private label and offer a lower cost to the customer because manufacturers' brands typically have a large percentage in marketing costs," adds Monterey Mushrooms' Caldwell. "But, in produce, you don't have those major advertising expenditures. When retailers go to private label in produce, it doesn't decrease the cost, and sometimes, it increases the cost because of suppliers having to handle multiple labels."

"Private label packaging usually adds cost to a produce packing company," states Roger Pepperl, marketing director with Wenatchee, WA-based Stemilt Growers Inc. "It increases the SKU count in their distribution, adds packaging inventory, causes packing line changeovers for each different package and creates multiple inventory items of one size of product, which slows product turns. The marketplace wants private label packages to cost less in most cases, but this is hard to achieve in produce."

Reliability and consistency of supply are other issues to consider. "When considering private label, you want to partner with a supplier with a track record of consistent quality and supply," advises Koster. "Service and quality are paramount. After all, now it's the store brand on the product and you don't want a weak product to impact the sales performance of others."

Stepping Back

In some instances, retailers may decide suppliers can better manage the category. "What people may not clearly understand is that putting the brand on the product is where the journey begins," asserts C.H. Robinson's Floyd. "What happens when the consumer has an issue? We have yet to see in many private

label categories how retailers will respond to this. At some point in time, the risk-value relationship in certain categories may be too much for them to maintain."

"Most private label products tend to be commodity-based," says Robert Schueller, director of public relations for Los Angeles, CA-based Melissa's/World Variety Produce Inc. "The specialty nature of our products really lean more toward a national brand. We have to deal with seasonality, the need for education and informational support. It wouldn't be practical or beneficial for retailers to move to private label on these types of spe-

cialty items."

The berry category is another example where its perishable nature lends itself to supplier management. "We're not seeing private label as a consideration on berries at this time by the retailer," reports Cindy Jewell, director of marketing for California Giant Berry Farms, headquartered in Watsonville, CA.

Losing the link between consumer and grower may be another downside. "Consumers increasingly want to know more about the farmer, and private label produce steps farther away from this personal connection," points out Gloria Chillon, director of marketing

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for Driscoll's, based in Watsonville, CA. "It may work for other products, such as a can of soup, but not for a basket of berries."

Focusing on overall competitive strategy is important to developing any labeling program in produce. "We do private label, but we don't position it like the larger chains do," reports Kings' Kneeland. "The Kings' or Balducci label is positioned as a higher-end product because we're more of a gourmet supermarket. We have a good following for our brand since customers perceive we're a higher quality than national brands."

This year, Target is increasing emphasis on value by taking a bolder, more direct approach to the way the company communicates affordability and quality within its own brands. "For example, we have allotted more space to owned brands in our marketing vehicles and we have increased the frequency with which we feature owned brands in our weekly circular and on in-store signage," explains O'Leary. "In addition to affordability, innovation is key to building brand awareness for our owned brands."

"Digital signage, in-store sampling campaigns, cross merchandising, displays, extensive ad campaigns and brand building quality campaigns are all ways to establish private brands," suggests FMI's Collins.

Kraushaar of Viva Global Marketing highlights some key points for success in private labeling based on her experience and communications with major chains. "A private label sets your produce department apart from the competition if you do it right and showcase new, different products and options," she expresses. "A private brand offers more direct control over quality, and the key is to have strict requirements. Partner with your branded vendors in introducing private label. They can be a real partner in category management. Use their trained expertise to help sell your brand. Start your program with 'safe' products, such as onions and potatoes, before embarking on high-shrink items."

However, private label products are not the only way to establish a store as a brand leader in produce. "The most cost-effective way to brand your produce department is to do it with POS signage tying the retailer's banner in with the farms they deal with," suggests Stemilt's Pepperl. "Co-brand the shipper's label with a flavor and quality program going on in the retailer's produce department or perishable arena."

"There are some very good examples of retailers that have improved their reputation and consumer loyalty by focusing on national brands and the quality those brands represent in produce," muses Fiori. "There are also many examples of retailers who have moved to buying multiple labels or promoted a private label with inconsistent quality at the retail shelf.



Photo courtesy of Driscoll's

Nearly all berry clamshells are branded, including Driscoll's.

Their primary focus was to source from the lowest price shipper and these retailers damaged their reputation and lost consumers."

Innovation: National Brands

The next competitor in the branding race, national brands, continues fighting for the lead through established leadership and innovation. "National brands tend to innovate faster than private brands," acknowledges GSM's Goodwin. "Companies such as Dole, Del Monte, Chiquita and Fresh Express have built strong consumer trust, which still has value for produce consumers. It will be difficult for retailers to completely eliminate these brands in many categories because of the confidence consumers have in their products and their ability to innovate."

"Innovations keep brands new and exciting, and consumers expect companies to continue to improve and evolve with time," agrees Del Monte's Christou.

Within the branding discussion, the balance of providing for the innovation spurred by national brands must be considered. "The private label role is not one of innovation," contends Floyd of C.H. Robinson. "They follow, they don't lead. There must be a balancing act of nurturing some organizations and brands because they're innovators."

"The supplier must have some margin left at the end of the day," states Mann's Koster. "It's what drives innovation and product development. If we have to price too low, that part of the equation gets lost and it would be a detriment to the produce industry to lose our ability to invest in innovative products and technology."

The retail benefits of leadership and innovation is exemplified by various national brands. "In the Disney Garden brand, we have established a leadership position in products marketed toward children," explains GSM's Goodwin. "Our innovation comes in both products and promotions. For example, many retailers have found success running promotions tied into movie and DVD releases. Our Foodles hearty snack product has shown to

have staying power at retail. The Mickey shaped tray and multiple snacks in one package are unique. It would be very difficult for a retailer to create a kid-focused brand that resonates with kids at the same level as Disney, Sesame Street or Nickelodeon."

"Monterey Mushrooms has consistently brought new items to market to keep the category fresh in the mind of the consumer and the retailer," remarks Caldwell. "Our innovative mushrooms with 100 percent of the recommended daily value of vitamin D for consumers are an example of how we are emphasizing the nutritional aspect of fresh mushrooms to clearly fit into several retail-specific health initiatives."

"When companies, such as Dole, take the time to research in-store buying habits and at-home consumption trends to meet specific consumer needs, the result can be very positive," says Goldfield. "Such is the case for the company's reinvented line of Dole Salads. After extensive research showed salad consumers were overwhelmed by their prepackaged salad purchase, the products were reimagined with on-pack Taste and Texture scales, and a 'pairs well with' section to help re-engage them in the category. Also, a compelling new Dole Salad Guide spokesperson was introduced who guides consumers through the bagged salad purchase via a national consumer media and in-store campaign. The resulting program has been met very positively by consumers and retailers."

"Melissa's has always been known for our innovation," states Schueller. "We introduce many new products — anywhere from 10 to 30 new items a year on a national basis — to the U.S. marketplace."

Added Support

National brands can provide support retailers may not receive from any other source. "We see many benefits in being involved with a national brand," says King's Kneeland. "We can promote more as there may be more resources behind the product. The current

"Some trade brands have started to reach out more to consumers, especially through their Web sites, where they have consumer sections. I don't see them doing much direct advertising, but the use of consumer information on their labels is growing as well."

**— Paul Kneeland
Kings Supermarkets**

Fresh Express salad commercial campaign is a good example."

Fresh Express' campaign utilizes broad and targeted message delivery methods to educate consumers about Fresh Express salad taste and freshness. The campaign marks an innovative move by the Salinas, CA-based company, which is a wholly owned subsidiary of Cincinnati, OH-based Chiquita Brands International Inc., into high-profile advertising by featuring a memorable commercial along with a high impact media buy that ran through December 31, 2009. A print campaign targeted professional women and to maximize impact, Fresh Express chose two of the biggest consumer print platforms — *O*, (the Oprah Magazine) and *Weight Watchers*.

Joe Huston, Chiquita's vice president of marketing, reports, "An effectiveness study of the placements revealed a significantly higher than normal rating on almost all analytical indices in driving short-term sales response. Additionally, study results confirmed Fresh Express salads grew between four and nine percent in each market while competitive brands lost market share."

Brands marketers maintain that retailers can measure consumer response to the brand's quality and consistency. "The retailers we partner with recognize how the Driscoll's brand pays off for them in terms of consistency, quality and a delightful eating experience for their customers," says Chillon. "Our companies and brands work together to strengthen the emotional connection with our consumers, which benefits growers and retailers."

"There's an interesting change going on in the retail food business whereby retailers are really spending time researching who their customers are, what they want and what shopping experience they're looking for," reports Floyd of C.H. Robinson. "It helps us in the branded world because it helps retailers better understand the relationship brands have with the consumer."

Despite newly imposed financial constraints, national brands continue to pursue ways to reach out to consumers and support retail sales. "Apio is getting creative through low cost marketing and PR," reveals Black-

moore. "We have enhanced Web site information, interactivity online, recipes, consumer newsletters and in-store promotions conveying Eat Smart as a high quality, healthy, innovative and convenient brand."

"The labels on our produce are the best branding medium," adds Melissa's Schueller. "There's no stronger way to brand your message than on the actual product sold at retail. We take the time and effort to make sure our labels convey as much as we can. We put our Web site on all our labels, even the PLU stickers."

"There are many ways to encourage brand-

ed fresh produce sales and differentiate your product from the rest," says Del Monte's Christou. "One of the best ways to do this is with in-store demos or sampling programs. For a product like Del Monte Gold Extra Sweet pineapple, which many consumers may find intimidating to select, we have seen sales increase dramatically during in-store demos."

Buyer Ties: Trade Brands

The final competitor in the branding race is the long-standing trade brand, still valued by many a produce buyer. "Any wholesaler, food-service operator or retailer recognizes which growers and packers in particular consistently do the best job," says Ronnie Cohen, vice president of sales for Vision Import Group LLC, in River Edge, NJ. "Trade brands remain steady, though not necessarily stronger, but recognizing the brand with consistent quality keeps repeat business on those brands."

"There is no question trade branding will continue to be important to produce buyers," says Monterey Mushrooms' Caldwell. "And, to the extent commodities do more promotion

Connecting With Consumers

Suppliers are rising to the challenge for creative and unique concepts. "In January, Dole Fresh Fruit will be introducing the DOLE Banana Diet to help consumers with New Year's weight loss resolutions," says Bil Goldfield, communications manager for Dole Fresh Fruit Co., in Westlake Village, CA. "As one of the only produce companies with this in-house capability, we are leveraging the research and work the Dole Nutrition Institute has undertaken, along with other research facilities and universities, to bring nutrition education and health-related issues to consumers."

National brands also have the opportunity to work with celebrity chefs and food media to the benefit of retail sales. "Our brand is highly recognized in editorial formats within the food media," says Robert Schueller, director of public relations for Los Angeles, CA-based Melissa's/World Variety Produce Inc. "On a daily basis, we're featured in the food section of newspapers, consumer food magazines and even in chef cookbooks. It gets people to understand our products, to look to us as a company that can provide those products, and to recognize them when they go into the store. This is an educational perspective from a third party and is a strong branding activity."

"Stemilt works with Chef Jason Wilson of Crush in Seattle, WA, who is one of the best

up-and-coming chefs in America," asserts Roger Pepperl, marketing director with Stemilt Growers Inc., headquartered in Wenatchee, WA. "Jason works on recipes and endorses our products at shows and venues. We demonstrated our Piñata apple at the Culinary Institute of America in Napa Valley, with Jason."

"Driscoll's is a brand that food professionals, chefs and foodies recognize and ask for by name," declares Gloria Chillon, director of marketing for Driscoll's, located in Watsonville, CA. "This gives us many opportunities in various media outlets to talk to consumers, but nothing speaks louder than the berries they purchase."

"We try to partner with other brands to build on the combined efforts," states Cindy Jewell, director of marketing for California Giant Berry Farms, in Watsonville, CA. "We are focusing on connecting with consumers to provide solutions and connecting with produce managers to ensure the best quality is put on the shelf."

"I think national brands and private labels will continue to ebb and flow with multiple variables coming into play, including retailer strategies, pricing, consumer wants, value-added products and proprietary varieties," says Steve Ottum, chief operating officer for Potlondon Produce LLC, in Idaho Falls, ID.

pb

and advertising, I believe the buying community will seek out those opportunities where funds are provided for promotions, advertising and specific marketing to consumers."

"Even in commodities, there is tremendous equity and value in the Dole brand," Goldfield states. "Partnering with retailers in helping them move more product is a primary approach. Dole seeks to expand consumer horizons on consumption occasions for our products, especially by demonstrating how Dole products can be simply integrated into consumers' diets to bolster a more healthful and active lifestyle. In addition, we are leading the way in nutritional education, with the Dole Nutrition Institute."

But where does a trade brand end and a consumer-oriented brand begin? "Produce shippers and marketers are all trade brands to begin with," maintains Stemilt's Pepperl. "To be a strong trade brand, you need to do a strong job with the carton labeling, collateral and corporate messaging. Web site strategy, social marketing tools and organizations that endorse your products in some way all help, too. To become a consumer brand, you need to take the trade brand qualities and let consumers know why they will love your products. Flavor, sustainable practices, organic offerings, new items and a transparent look into who your company is, are all important."

"There will always be a home for our brand among the trade, especially with a 70-year history of being in business," states Mann's Koster. "We have many loyal customers out there, so I think our brand equity has always been strong at a trade level. Would I like to get there with consumers? Of course, but the business model makes that tough. For instance, you have to buy media six months in advance. So if I buy radio time in Minneapolis for October, what happens if there is a crop failure in September? Radio ads are running and no product is in the stores. It's risky."

As the private label and national brands run neck-in-neck, trade brands may feel pressured to move to direct consumer branding. "Trade brands are under a lot of pressure," says GSM's Goodwin. "They have not been developed with the consumer in mind. At Golden Sun Marketing, we have worked with many of our clients to reposition their trade brands."

Viva's Kraushaar advises clients to "ask two key questions before making the decision to become a consumer-oriented brand. First, is your brand compelling enough to stand on its own with consumers, and second, do you have the resources to build and maintain a consistent campaign? There is definitely the concept of push-versus-pull in marketing. You need to do both, eventually. Some chains want produce suppliers to invest in pulling the

What's In A Name?

So what does a brand represent to the consumer? "Branding in fresh produce is all about a repeat experience," states Joe Caldwell, vice president of Monterey Mushrooms Inc., in Watsonville, CA. "When consumers get used to seeing the brand name on items that provide consistent performance in taste, freshness and utility, then there is more confidence when they pick up the package, versus feeling they have to check it out very carefully."

"Our brand name is known for three things," asserts Robert Schueller, director of public relations for Los Angeles, CA-based Melissa's/World Variety Produce Inc. "Flavor, quality and food safety. A brand is more important than ever because of those factors. Consumers increasingly want to know where their food is from and to rely on a brand they can trust. Branding has become a strong part of what we do and many of our retail customers ask for our brand by name."

"Driscoll's introduced the berry clamshell in 1989, and since then, virtually all berry packages have a brand on them so consumers can equate a good or bad experience with the brand of berries they buy," explains Gloria Chillon, director of marketing for Driscoll's, located in Watsonville, CA. "The quality and consistency of the experience is what gets your brand noticed, and what makes consumers continue to buy it."

Consumers are increasingly paying more attention to how their food dollars are spent. "They look for brands with which they have had previous positive experiences," purports Cindy Jewell, director of marketing for California Giant Berry Farms, in Watsonville, CA. "When dollars are tight, they want to make sure they reduce the risk of being unhappy with their produce purchase, so in many

cases, once they try a brand and like it, they will look for it again."

"Consumers want to know who grows their food," adds Roger Pepperl, marketing director with Stemilt Growers Inc., headquartered in Wenatchee, WA. "A brand can help portray this communication in a strong way. Stemilt is a family-owned company with real people behind it and a rich heritage of farming. Customers like to know that type of history. It gives them emotional attachment and confidence in the flavor and quality of the products they buy."

Consistency, quality and price are all part of the branding mix. "A consumer will always gravitate to a product with a recognized label or brand with which they have had a positive experience," says Ronnie Cohen, vice president of sales for River Edge, NJ-based Vision Import Group LLC. "If a grower or packer can maintain a consistently high level of quality and condition and associate these attributes with the brand, this gives him an advantage. The big question, however, is the price. It is important to know consumers and their price point."

"Many consumers look for brands they have always trusted from a quality, food safety and innovative point of view," says Steve Ottum, chief operating officer for Potandon Produce LLC, in Idaho Falls, ID. "Other consumers are looking for price and sometimes will trade down in these areas."

"We know our guests are looking for ways to stretch their dollar — and we've seen a heightened focus on value in the past year," says Jana O'Leary, spokesperson for Target Corp., headquartered in Minneapolis, MN. "Our guests are increasingly looking for affordably priced, high-quality, owned brand merchandise." **pb**

consumers into the store and to their products. Others feel it is their domain. Depending on the effort required and the resources available, the supplier needs to make this decision in partnership with core customers."

Many trade brands are already seeking out direct communication with consumers. Kings' Kneeland reports, "Some trade brands have started to reach out more to consumers, especially through their Web sites, where they have consumer sections. I don't see them doing much direct advertising, but the use of consumer information on their labels is growing as well. We've helped certain trade brands increase their presence to customers. For example, Sunsweet Fresh, which we use for tree fruit, reaches out by using a corporate

chef to help do demos in our stores."

Repositioning a brand means focusing more on consumer needs and how a product can meet them. "If we focus on the consumer, we know we can be successful," says Goodwin. "We advocate designing packaging for consumers who want to prepare meals for their family, but are a little less confident in the kitchen. I am generally bullish that trade brands have a place in this industry. Not all retailers are willing to risk their brand image with perishable products, nor do they want all national brands. Trade brands have a place, but to win, trade brands will have to be more focused on the consumer by providing solutions on how to select and prepare products as well as tout the nutritional values." **pb**

Marketing Produce In Clamshells

Growers, shippers and retailers alike depend on clamshells not only to show off their produce, but also to protect it from cuts, bruises, tampering and most importantly, foodborne diseases.

BY CAROL BAREUTHER, RD

Bulk landscapes of fruits and vegetables are still the norm in most supermarket produce departments.

However, the number of packaged items is picking up and clamshells are among the package types leading the way. In fact, clamshell demand is expected to increase five percent annually to the ring of \$2.8 billion in 2012, bolstered by strong gains in food markets such as fresh produce and prepared foods, according to *High Visibility Packaging*, the Cleveland, OH-based Freedonia Group's December, 2008-released report. The report pegs clamshells' upscale appearance, thick rigid construction and ability to deter theft and tampering as key selling points.

Marvin Lyons, produce director at Bigg's, an 11-store chain based in Milford, OH, recognizes, "Clamshell packaging adds cost, but consumers seem to prefer it for some produce. Food safety is just one of the reasons."



Fresh produce that needs to be protected, such as cherry tomatoes, work best in clamshell packages.

CLAMSHELLS & FRESH PRODUCE

According to Kurt Zuhlke, president and CEO of Kurt Zuhlke & Associates Inc., headquartered in Bangor, PA, "In the last ten years, we've seen more than a 400 percent increase in the use of clamshell packaging in fresh produce."

Clamshells are most often used with high-value produce. Jim Scattini, vice president of sales and marketing for Watsonville, CA-based Sambrailo Packaging, details, "Typically, small fruit, berries and mushrooms, or items that are easily damaged by crushing are packaged in clamshells."

Raul Gallegos, director of produce and floral at Bristol Farms, a 15-store chain based in Carson, CA, agrees and adds, "Premium produce, and items that need to be protected, work best in clamshell packaging. For example, we merchandize cherry tomatoes, grapes and berries in clamshell packs."

Clamshell use is indeed commodity-specific, remarks Frank Sousa, regional processor specialist for PWP Industries, located in Vernon, CA. "For example, you can safely say that 95 percent of strawberries are packed in a clamshell."

Scattini adds, "Clamshells are also used extensively with pre-cut produce and prepared salads."

Tom Gautreaux, national sales director for Atlanta, GA-based Maxwell Chase Technologies LLC, clarifies, "About 75 percent of cut fruit is pineapple, red grapes, melons and mangos."

"Organic salads have migrated from bags into clamshell packs," says Roman Forowycz, group president and chief marketing officer for Clear Lam Packaging Inc., in Elk Grove Village, IL.

Clamshell packs represented 89 percent of the dollar share by package type for organic packaged salads compared to 4 percent for conventional salads, according to ACNielsen data, as supplied by Clear Lam Packaging, for the 52-weeks ending August 30, 2009.

There are many benefits of a clamshell pack for fresh produce. Scattini reports, "Our experience in

sales and customer inquiries suggests that clamshells are gaining in popularity because they are inexpensive, versatile, provide excellent protection to the produce and present a very pleasing consumer package."

"Clear plastic clamshells put produce on a pedestal," muses Forowycz. "It visually highlights all the attributes of an item and can lead to increased sales. This is where we see the mindset in the industry changing, that is, from clamshells as an afterthought to a delivery vehicle that can help merchandise the product inside."

Clarity is important, says Bigg's Lyons.

"It's different for a deli container that you use to scoop potato salad into for a customer from a bulk display. The potato salad doesn't need packaging to sell it. In produce, we look for a high gloss clamshell that allows consumers to really see the product inside."

One example is Salinas, CA-based Tanimura & Antle's packaging of its Artisan Lettuce. Each of the 4- or 6- count petite heads of lettuce sits in its own custom scalloped mold within the clamshell pack. The lettuce is very visible and cradled for protection.

"Clamshells provide a food safety barrier between the consumer and the product,"

explains Zuhlke of Zuhlke & Associates.

According to Carol Zweep, manager of packaging services for the Guelph Food Technology Centre, in Guelph, ON, Canada, "This type of packaging can even enhance shelf-life and decrease shrink. Look at the ripeSense clamshells for pears. They tell customers when the pears are ready-to-eat via an ethylene-sensor placed inside the lid of the clamshell. The rigidity of the clamshell then protects the pears as they soften. This type of packaging technology is also being evaluated for kiwi, melons, mangos and avocados."

Use of packaging in produce is retail format-specific. For example, David Stanton, regional marketing manager, North America for NatureWorks LLC, in Minnetonka, MN, points out, "High-end, fresh concept stores will use little, if any, packaging, whereas big box and warehouse stores tend to have many products packaged because it is easier to sell in volume this way."

Packaging choices also differ from the perspective of produce buyers versus produce managers. Produce buyers are not a homogeneous group, asserts Sambraio's Scattini. "Buyers for grocery chains have different needs than buyers for foodservice," he explains. "For grocery items normally sold in bulk, processors want large packages they can handle efficiently in order to minimize unpacking time and reduce the cost of handling or disposing of the used containers. Produce managers, on the other hand, want individualized, high-quality graphics to entice retail buyers with in-store displays."

MANY KINDS OF CLAMSHELL

The definition of a clamshell — in the strictest sense — explains Stanton, "is a hinged container."

Adding to this, Scattini notes, "A clamshell is a rigid plastic container with a top and a bottom that are heat-formed from one or two pieces of plastic. Some people will call a two-piece container or tub and lid, or even all plastic containers, a clamshell."

Zweep adds, "Clamshells are usually clear and thin, and can be opened and closed by the end-user or consumer. They come in many shapes and sizes."

The wide variety of package sizes and material combinations, "is a result of the market responding to demands from many different segments of the produce industry," explains Scattini.

As for size, the only legal criteria, according to Zuhlke, "is in weight measurements. For example, if you sell a dry-pint of blueberries, there must be one dry pint of product inside that clamshell."

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Beyond this, there is no standardization. PWP's Sousa points out, "There are clamshells that range from a volume weight of four ounces for blueberries all the way up to a 5-pound pack for grapes. The only standardization, you might say, would be the example that the leader item, strawberries, is packed in a 1-pound clamshell, or that Costco has specified that all their growers pack a 4-pound grape clamshell."

"Clear plastic clamshells put produce on a pedestal. This is where we see the mindset in the industry changing, that is, from clamshells as an afterthought to a delivery vehicle that can help merchandize the product inside."

**— Roman Forowycz
Clear Lam Packaging Inc.**

"In the produce industry, we see two distinct types of containers," pinpoints Herb Knutson, director of marketing for Inline Plastics Corp., based in Shelton, CT. "Containers for cut fruit, salads, leaf lettuce and other products can be in any number of shapes and usually are not vented. In fact, leak-resistant containers are preferred for cut fruit so they don't make a mess in the supermarket displays. There are many standard volumes for cut fruits, such as 16- and 24-fluid ounces, but the dimensions and shape of the containers differ from one manufacturer to another."

Knutson continues, "Those clamshells for whole fruit and vegetables are usually rectangular or square and heavily vented to allow rapid cooling of the product after it is picked in the field. For example, clamshells for in-field use on products, such as strawberries and blueberries, have standard, rectangular sizes, such as pints and quarts, and their dimensions are basically the same.

That way, they fit in the corrugated flats in which the filled containers are transported."

For produce packed in the field, Knutson adds, "Most conform to the common footprint boxes. For example, we developed our rectangular Safe-T-Fresh line of tamper-resistant/tamper-evident clamshells to conform to the Euro Flat carton, which is one of the common standards. They allow better shipping density, which reduces transportation costs from processor to supermarket. However, there are a number of non-conforming clamshells on the market as well. It really depends on where the container is

going to be used."

It also depends on the produce type, adds Sousa. "For example, strawberry growers are still using both the standard and Euro footprints," he details. "For blueberries, you have variations along with some Euro Flats that a Costco would specify."

"Future design evolutions in clamshells will be aimed at strength, clarity, consistency and function," specifies Sambraio's Scatini. "For example, there are no standard sizes on the market for items such as heirloom tomatoes, pluots or stone fruit. Packaging runs the gamut for these products. It's

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Shades Of Green

About 90 percent of clamshells used at retail are made from PET, (polyethylene terephthalate) which can be recycled," approximates Frank Sousa, regional processor specialist for PWP Industries, located in Vernon, CA.

Steve Langdon, vice president of sales for Precision Packaging Products, headquartered in Holley, NY, acknowledges, "PET is definitely the workhorse of the clamshell category. It's petroleum-based, cost-efficient and a commodity resin driven by the popularity of use in water bottles. It is also the No. 1 recycled resin."

Clamshells can also be thermoformed out of PVC (poly vinyl chloride), says Carol Zweep, manager of packaging services for the Guelph Food Technology Centre, in Guelph, ON, Canada. "However, this isn't popular because no one wants the chlorine gas released during incineration. Polystyrene is used in the clamshells for raspberries and it's difficult to recycle."

In the green arena, recycled or reposed PET (rPET), also called post-consumer resin (PCR) PET, is being used to make clamshells. "The benefits are that it doesn't use virgin resources and it gets some materials out of the waste flow to be reused," explains Kurt Zuhlke, president and CEO of Kurt Zuhlke & Associates Inc., headquartered in Bangor, PA. "Retailers can market this advantage to their customers by in-store signage and in ads with phrases such as, 'Our products are packaged in recycled materials.' This appeals to today's customers who want to do their part for the environment."

Last summer, Earthbound Farm, in San Juan Bautista, CA, announced that going forward all of its plastic clamshell packages would now be made from 100 percent PCR PET. Based on its annual usage of PET plastic in 2008, the company's new and improved clamshells will conserve 424,000 million BTUs and 68,307 gallons of water, as well as eliminate 16,191 tons of carbon dioxide and divert 1.3 million pounds of solid waste from landfills. In addition to doing its part to help the environment, the company was also awarded the Produce Marketing Association's Impact Award for Excellence in Produce Packaging at this past year's PMA Fresh Summit Convention, in Anaheim, CA.

Packaging materials made from renewable resources, such as corn or PLA (polylactic acid) and other plant materials like sugarcane, have been used to manufacture clamshell packaging over the past few years. NatureWorks LLC, headquartered in Minnetonka, MN, for example, makes and mar-

kets clamshell packaging out of its trademarked biopolymer, Ingeo. David Stanton, regional marketing manager for North America, points out, "It's environmentally friendly; it's the only packaging material with significantly reduced greenhouse gas emissions. In addition, it provides the clarity and gloss of polystyrene and the strength of petroleum-based plastics, but with up to 25 percent less materials. It's also biodegradable with the proper infrastructure in place. Large retailers, such as Wal-Mart, that have corporate sustainability initiatives and are actively seeking to reduce their carbon footprint, have started to use this packaging." Wal-Mart uses Ingeo packaging in its assorted vegetable and fruit trays and informs its customers via on-pack labels that the packaging is made from plants instead of oil.

Grower/packers also use this renewable material. For example, Salinas, CA-based Taylor Farms' leafy green salads and Kingsville, ON, Canada-based Mastronardi Produce Ltd's organic tomatoes are packed in an Ingeo-made clamshell.

While the advantage of corn-based clamshells "is that it biodegrades, the disadvantage for corn is that it can't sustain high heat, it's more expensive, it's not readily available and there are unintended consequences in attempting to lower the carbon footprint," explains Jim Scattini, vice president of sales and marketing for Watsonville, CA-based Sambrailo Packaging.

Herb Knutson, director of marketing for Inline Plastics Corp., based in Shelton, CT, warns, "Corn-based containers are compostable, but only if you have a commercial compost facility available and a way to get the used containers there. Most municipalities don't collect #7 recyclables, and corn or PLA is still a #7. PET plastic is a #1 recyclable, which most communities collect and recycle, as it is the same material as water and soda bottles. However, there are still a number of communities that toss #1 clamshells into landfills because it's harder to sort clamshells and trays than bottles. Mixing corn (PLA) into the PET recycling stream can render the recycled material unusable for remanufacturing into new clamshells."

There's no magic bullet when it comes to the perfect clamshell material, environmental friendliness and functionality. Roman Forowycz, group president and chief marketing officer for Clear Lam Packaging Inc., in Elk Grove Village, IL, muses, "I think we'll see over the next 10 to 20 years that packaging will progress to a point where it's made from a variety of materials."

the club stores, which sell more packaged product, that are pushing the envelope and willing to do the test marketing."

Customization is another development on the horizon, points out Clear Lam's Forowycz. "The only way to make a bag unique is to vary the graphics," he says, but in clamshells, you can vary the design, the shape — creating smooth walls or exotic ridges — or even mold the retailer's name into the pack."

Jonna Parker, senior account manager for the West Dundee, IL-based Perishables Group believes functionality will also lead innovation. "Look at Mann's Snacks on the Go, for example. The clamshell the ready-to-eat produce is sold in doubles as a convenient serving container," she points out.

WHAT WORKS, WHAT DOESN'T?

"Most retailers are more interested in the quality of the product inside the clamshell and price than in the packaging," contends Zweep.

Forowycz acknowledges, "Every retailer is different. An upscale supermarket may want a robust, clear, smooth-walled clamshell to deliver a certain look, while a value format may prefer a low-cost product."

This cost cutting can lead to clamshell problems. For example, Steve Langdon, vice president of sales for Precision Packaging Products, headquartered in Holley, NY, contends, "A lightweight clamshell that saves on materials and thus, costs, might not adequately protect the product through the distribution chain."

Examples of poorly designed clamshells are those that don't conveniently stack on top of one another for shelf display, says Sambrailo's Scattini. "Also, clamshells that don't fit well in spring-loaded shelves and those that weren't specifically designed to be tamper-evident. Many of these problems have been overcome by trial and error. For example, a change in material or design, more consistent manufacturing and button locks that are less likely to open can solve these problems."

What makes one clamshell design work better than another is multi-faceted. Knutson maintains, "It depends on the needs of the users. In most cases, clarity is very important so consumers can see what they are buying, but a container that allows blueberries to cool faster than some other container could be considered better if cooling fruit is important. A tamper-resistant container could be considered better if shrinkage is a problem, while leak-resistant is better for juicy products."

Other attributes that make clamshells

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successful, adds PWP's Sousa, are "good closures that close tightly when product is being shipped and proper ventilation, depending on produce type. For example, strawberries and blueberries may require more side and top venting than grapes or stone fruit."

Consumers are willing to pay for quality packaging, says Clear Lam's Forowycz. "For example, more lettuce companies are converting from bags that cost 5- to 6-cents a piece to clamshell trays that cost 20-cents, because consumers perceive this style of pack as a better value in maintaining the

quality of the greens."

Sousa agrees, adding, "The slow economy has had very little effect on the use of clamshells. The raw PET resin used is still very economical to buy. A consumer is still willing to pay a particular price point, which depends on the size of the package. Some retailers have recently reduced the size of a package, for example, going to a 2-pound pack from a 4-pound pack, in order to help consumers with a price point."

BOTTOM-LINE ADVICE

The packer or processor purchases some



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Inline Plastics' line of Safe-T-Fresh clamshells is tamper-resistant.

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60 to 70 percent of clamshells for fresh produce, estimates Langdon. "Some retailers, maybe 50 percent, may dictate the look, size and volume of the clamshell used. This is especially true if a major retailer splits its fresh-cut business among two to three packers/processors and it wants the same look throughout the chain," he reasons.

What questions should a retail produce buyer ask when buying produce in a clamshell? Scattini recommends a handful that are very important to consider. "Will it lengthen shelf-life of the product or at least not actively promote breakdown/decay? Does the lid remain closed when handled? Are the vents aligned to allow airflow? Is the clamshell clear and visually appealing to the consumer? Does this clamshell and tray maximize cube space on the pallet and therefore save money on freight? What material is the clamshell made of and is it recyclable or biodegradable?"

Run an in-store test, suggests Sousa. "Make sure the clamshell is the correct line. For example, if it's a 1-pound pack, that it's not over or under the specified weight line by the retailer. Also, ensure the manufacturer is providing product in compliance with the FDA as far as the plastic being safe to use with food grade applications."

In the case that a retailer wants to promote that its packaging is green, Langdon advises, "Check with FTC [Federal Trade Commission] guidelines." The FTC's Environmental Guides, known as the Green Guides, advise marketers that in order to make claims a product is 'degradable' or 'biodegradable,' it must really break down and return to nature within a time that is reasonably short after disposal.

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Cook Up Mushroom Sales This Winter

Flavor. Nutrition. Availability. Versatility. These are just a few of the attributes that make mushrooms an ideal ingredient.

BY CAROL BAREUTHER

Savvy retailers using a cooking theme as their merchandising mantra can sell more mushrooms this winter.

After all, this is the season for hearty mushroom-filled soups, stews and casseroles. In this time of economic downturn, eight in 10 Americans say they're cooking more at home, according to a September 2009-released review of global consumer trends by Mintel, a market research company, in Chicago, IL. Fittingly, fresh mushroom sales at retail are up 6 percent in pounds and 5.7 percent in dollars, according to IRI Food Sales Research data for the 52-week period ending October 25, 2009.

Marvin Lyons, produce director at Bigg's, an 11-store chain based in Milford, OH, and a subsidiary of Supervalu Inc., reveals, "For us, the mushroom category is leading overall produce sales."

AN IDEAL INGREDIENT

Mushrooms have umami, or the fifth taste, points out Bart Minor, president and CEO of The Mushroom Council, based in San Jose, CA. "That's why they add a savory flavor when paired with other foods."



Portobellos, in all their forms, are among the most popular variety of mushrooms and are an excellent meat substitute in many dishes.

Kevin Donovan, national sales manager for Phillips Mushroom Farms LP, in Kennett Square, PA, adds, "Mushrooms provide a meaty texture that people enjoy."

Fat-free and low-calorie are definite selling points for mushrooms, but that's not all, notes Elizabeth O'Neil, chairman and director of marketing for Highline Mushrooms, based in Leamington, ON, Canada. "For years, what mushrooms didn't contain was their chief selling point. Today, they're becoming known for what they do provide, such as B vitamins, potassium and the only plant-based source of vitamin D."

There's a debate in the industry as to whether health is a primary driver of consumer purchases for mushrooms, says Joe Caldwell, vice president of Monterey Mushrooms Inc., based in Watsonville, CA. "Mushrooms are a food consumers feel good about eating."

Paul Frederic, senior vice president of sales and marketing for To-Jo Mushrooms Inc., located in Avondale, PA, remarks, "Mushrooms are available every day of the year all across the United States. Even so, they're more of an impulse purchase. We'd love to get them on everyday shopping lists."

Nothing beats the versatility of mushrooms, asserts Minor. "They work in everything from soups and salads to main dishes and appetizers."

Mushrooms are a staple ingredient in the vegetarian diet, points out Fred Recchiuti, general manager for Basciani Mushrooms Farms, based in Avondale, PA, says. "Roasted Portobellos, for example, are an excellent meat substitute."

APPRECIATED CONVENIENCE

Consumers still look for convenience, acknowledges Raul Gallegos, director of produce and floral at Bristol Farms, a 15-store chain headquartered in Carson, CA. "They want to skip the slicing step. As a result, we see greater sales of white and brown sliced mushrooms."

The numbers back this up. White sliced mushrooms are up 3.6 percent in dollar sales and 5.5 percent in pounds, compared to 2.9 percent and 2.7 percent, respectively, for whole white mushrooms, according to IRI Food Sales Research data for the 52-week period ending October 25, 2009. Likewise, brown sliced mushrooms are up 14.2 percent in dollars and 15 percent in pounds, compared to whole brown at 8 percent and 9.3 percent, respectively. Similarly, specialty sliced mushrooms increased 12.8 percent in dollars and 14.9 percent in pounds, compared to 4.3 percent and 5.2 percent, respectively, in whole specialty mushrooms.

Caldwell also sees these numbers in his sales. "Sliced white mushrooms are our No. 1 SKU. In addition, consumers are moving up to bigger pack sizes. Our 16-ounce, pre-washed, sliced white mushroom is one of the Top Five selling SKUs. We see this as a reflection of people cooking at home more."

The price point between whole and sliced mushrooms is very small, says Recchiuti. "That's likely why we're seeing the growth in sliced."

Bill Litvin, national account manager for Giorgio Foods Inc., located in Temple, PA, sees "great interest in sliced mushrooms of almost every variety."

Gary Schroeder, president of Oakshire Mushroom Farm Inc., headquartered in Kennett Square, PA, reports, "Sliced shiitakes have been picking up in sales for more than a year, even though they remain a small part of the category."

"Studies have shown that placing one facing of mushrooms on the salad rack increases mushroom sales by 12 percent."

— Joe Caldwell, Monterey Mushrooms Inc.

Whole or sliced, white button mushrooms remain the foundation of the mushroom category, reports Minor of The Mushroom Council.

"Brown varieties are becoming increasingly popular among customers. These include Portobello and Cremini."

Greg Sagan, senior vice president of sales and marketing for Modern Mushrooms Farms Inc., based in Avondale, PA, agrees. "Portobellos, both large caps and baby Bellos, continue to grow in popularity, especially as the interest in flexitarianism grows. Flexitarians are individuals who are not vegetarians, but trying to eat occasional meat-free meals [for health purposes]."

Monterey's Caldwell predicts, "We'll continue to see growth in brown mushrooms. They'll hit 40 to 50 percent of category sales. This will all be driven by flavor."

In addition to brown mushrooms, Bigg's Lyons says, "We also see an opportunity for specialty mushrooms, such as Shiitakes. But, it will take educating the customer. There's still a fear factor out there about how to cook with mushrooms."

As for specialty mushrooms, "We offer retailers assorted packs that come with two tills each of Cremini, Shiitake and Oyster mushrooms," notes Basciani's Recchiuti. "This allows them to display the product in store and encourage consumer trial."

White mushrooms represent 70 percent of dollars and 75 percent of pounds sold,



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Photo courtesy of Modern Mushroom Farms Inc.

Value-added mushrooms are growing in popularity as many people are cooking at home more frequently.

with brown mushrooms at 26 percent and 23 percent, respectively, and specialty mushrooms at 3 percent of dollar sales and 2 percent of pounds sold, according to IRI Food Sales Research data for the 52-week period ending October 25, 2009.

VALUE-ADDED PRODUCTS FOR THE HOME COOK

Although consumers are eating out less due to the economic downturn, they are not necessarily cooking at home from scratch, according to *The 24th Annual Report on Eating Patterns in America*, released by Port Washington, NY-based The NPD Group, on November 12, 2009. In the mushroom category, that fact has led to value-added innovations such as stuffed Portobello caps.

Consumers are gravitating to the semi-homemade idea where they take something store-bought and dress it up with extras to give it a more personal touch, says Modern Mushroom's Sagan. "We have seen a desire for products that deliver a chef-quality experience at a reasonable price point," he clarifies. "In the last year, we launched a new flavor of stuffed Portobello cap, Spinach Artichoke Parmesan, which has become our top-seller."

To-Jo has re-introduced its four-item line of refrigerated, ready-to-serve mushrooms. The products, Caramelized Skillet Mushrooms, Kettle-Cooked Portobello Mushrooms, Garlic Sautéed Mushrooms and Marinated Button Mushrooms, are each packaged in a 10-ounce tub and branded under the company's On-the-Spot Gourmet label. Frederic says, "These products are designed

to be used as ingredients to jump-start meal preparation. For example, the Kettle-Cooked Portobello Mushrooms are great topping for a burger or steak. Serving suggestions are listed on the containers."

FIVE WAYS TO PROMOTE MUSHROOMS AROUND A COOKING THEME

Mushrooms are usually not on consumers' shopping list unless they're preparing something specific. Modern Mushroom's Sagan emphasizes, "Therefore, they need to be inspired to create an impulse

purchase in the store."

1. Display & Cross Merchandising. Proper mushroom assortment can actually boost sales performance. The Mushroom Council's Minor advises, "Packages of sliced mushrooms should maintain 50 percent or more of the display. To capture new consumers looking to try mushrooms for the first time, retailers should display small packages — six to eight ounces — of sliced, whole white and brown mushrooms."

Sagan reveals, "We have developed a color-coded display system for the retailers, which link a mushroom variety with a spe-

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cific recipe brochure. Additionally, we have a complete shelf management system that many retailers have utilized and once installed, has resulted in double-digit category growth."

Retailers should highlight the many benefits of mushrooms "through secondary displays and POS materials that point to mushroom's versatility and nutritional benefits," suggests Minor.

In the produce department, secondary displays of mushrooms can be added next to the stir-fry vegetables, soy or vegetarian burger products and bagged salads. Monterey Mushroom's Caldwell says, "Studies have shown that placing one facing of mushrooms on the salad rack increases mushroom sales by 12 percent."

In the meat and seafood department, Phillips' Donovan advises, "Cross merchandise Portobellos with meat and Shiitakes with poultry or seafood."

Modern Mushroom's Sagan adds, "Many retailers have gone beyond merchandising stuffed mushroom caps in the produce departments to displaying the product in their meat and deli departments."

Thanks to their versatility, mushrooms can be displayed in nearly any fresh section of the store. "Display mushrooms in the

Mushrooms: The Weight Loss Recipe

Promote mushrooms as the ideal weight loss ingredient this January.

According to research conducted last year at John Hopkins Weight Management Center, in Baltimore, MD, study participants who ate low-energy dense foods, specifically mushrooms, in place of high-energy dense foods, such as lean ground beef, reduced fat and calorie intake.

In the study, participants ate four entrees: Lasagna, napoleon casserole, Sloppy Joes and chili made with ground beef for four days and with mushrooms substituted for the beef during the remaining four days. Results showed participants consumed an average of 420 more calories and 30 more grams of fat on the meat days than on the mushroom days. Better yet, the palatability

and satiety the mushrooms provided meant that participants didn't compensate for the lower calorie mushroom meal by eating more food later in the day. Researchers concluded if men substituted a 4-ounce Portobello mushroom for a 4-ounce grilled hamburger every time they ate a hamburger over the course of a year, and didn't change anything else, they could save more than 18,000 calories for a weight loss of five pounds. This swap also saves nearly 3,000 grams of fat.

Joe Caldwell, vice president of Monterey Mushrooms Inc., headquartered in Watsonville, CA, "This research is something we're really excited about. It's something retailers can use to appeal to health conscious consumers."


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dairy case with eggs and cheese for omelets, or in the deli next to the fresh pasta," suggests Basciani's Recchiuti.

2. Recipes. "At Bigg's, we have recipes from our suppliers," says Lyons. "We'll dis-

play two for white mushrooms and two for brown mushrooms on a shelf hook right in front of the mushroom display."

Recipes are also part of the mushroom display at Bristol Farms. Gallegos asserts,



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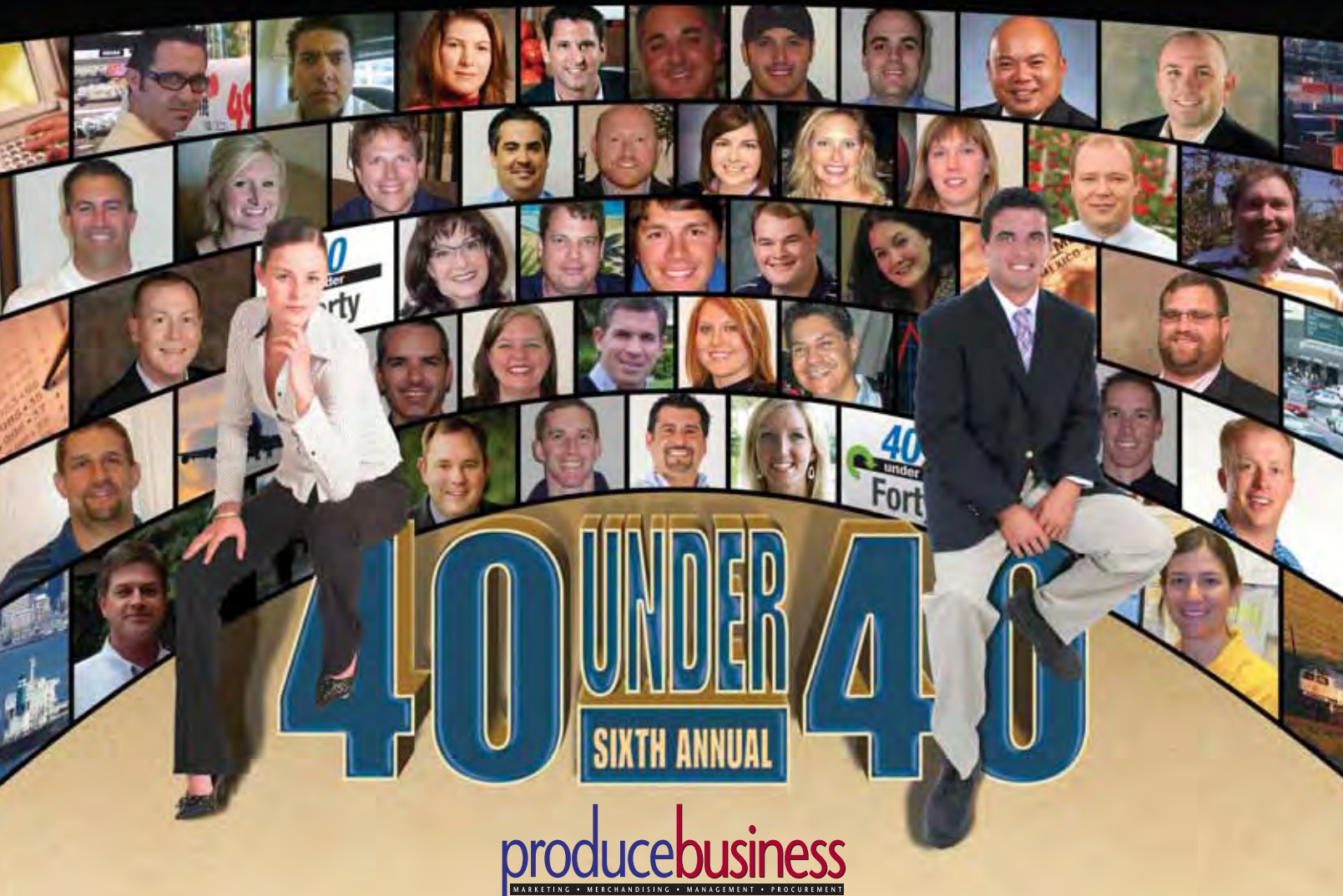
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"We really like to put out recipes for specialty mushrooms, such as Maitake, because consumers aren't as familiar with them."

Exotic mushrooms are growing in popularity in high-end foodservice, says the Mushroom Council's Minor. "In fact, in the National Restaurant Association's 2009 Chef Survey of 'What's Hot,' exotic mushrooms were included in the Top 10 category. Retailers can offer varieties such as Portobello, Shiitake, Maitake, Enoki or Oyster mushrooms with recipe cards to provide inspiration to their customers."

Giorgio's Litvin adds, "One method I have seen work very effectively is to publish a recipe that utilizes mushrooms in the weekly sales flyer. It is especially effective if the recipe ties into sale items for that week."

Minor adds, "In quick-serve restaurants we're seeing a growing number of mushroom burgers offered as 'premium' menu items. Retailers can capitalize on this by grouping mushrooms with other burger ingredients in stores and offering mushroom burger recipe cards to customers."

"Some retailers do a beautiful job of providing customers with recipes in their consumer publications," believes To-Jo's Frederic. "Full-color photos of the dish, an ingredient list and nutrition information often accompany these recipes. Other retailers put recipes on their Web sites, which is an excellent way to reach younger consumers."

Recchiuti remarks, "We offer recipes on-pack. In addition, we list the Web site for The Mushroom Council so consumers can access even more recipes."

3. Meal Centers & Demos. Recipe demonstration kiosks at Schnuck Markets Inc., in St. Louis, MO, introduce customers to a variety of recipes at the rate of two recipes per week. "Mushrooms have been part of many of the recipes offered," says Mike O'Brien, vice president of produce.

To-Jo's Frederic points out, "Meal centers are a great way to display mushroom recipes and all the necessary ingredients in one place. This also leads to a higher ring."

Modern Mushroom's Sagan acknowledges, "In-store sampling or cooking classes can be helpful in introducing specialty mushrooms to consumers who are unfamiliar with more exotic varieties."

Mushrooms are easy to demo in-store. Phillips' Donovan maintains, "Just sauté them in butter and spices, such as garlic, or serve them with salad dressing."

4. Health & Nutrition. Some retailers focus on the nutritional benefits of mushrooms. Mushrooms are unique for having vitamin D, says the Mushroom Council's Minor, who adds, "No other fresh fruit or vegetable has it." Vitamin D-enriched mushrooms



Retailers are expanding their mushroom displays to appeal to both seasoned chefs and new home cooks.

rooms are the same as those that have not been exposed to UV light, except for their higher levels of vitamin D. The taste and texture of the D-enriched mushroom are not affected, only their nutrient content.

To leverage mushrooms' nutritional benefits, Minor suggests "retailers pair them with other consumer packaged goods and produce staples, to create a shopping list or meal planner for customers."

Last fall, retailers across the country highlighted mushrooms as a nutritious ingredient and potent preventative against breast cancer by carrying pink mushroom tills in the produce department. This promotion, an initiative between The Mushroom Council and City of Hope, led to a 6.7 percent increase in dollars and 12.3 percent increase in pounds of mushrooms sold during the month of October.

5. Locally Grown. Mushrooms are an excellent item to use for locally grown promotions, contends Giorgio's Litvin. "We ship to many local retailers," he says.

Highline's O'Neil points out, "Mushroom farms dot most regions of the country. In northern climates, mushrooms are one of the few fresh foods available during winter."

Retailers can market the locally grown aspect in cooking applications by pairing mushrooms with other locally grown products. Sagan also suggests, "Showcase the grower in ads or POS materials. It helps bring a sense of authenticity to the products and gives consumers a sense of connection to their food."

Chilean Produce Warms Winter Sales

An increasing variety of produce from Chile offers even greater opportunity for winter promotions.

BY JODEAN ROBBINS

For decades, Chilean fruit has been transforming consumers' plates and retail produce departments during the U.S. winter months, according to Rick Eastes, global procurement manager for Market 52, in Visalia, CA.

"Since the 1980s, the Chilean fruit industry has moved the first quarter of the year from its least profitable to its most profitable quarter because of high value, high demand and high quality fruit during the North American winter. Giving Chilean fruit 'first position' during the winter months is the most effective way to drive sales and profitability."

After somewhat of a lull in fruit availability, retailers are ready and excited to promote Chilean arrivals. "We're glad when the Chilean products really start rolling in," admits Keith Cox, produce buyer/category manager for K-VA-T Foods, in Abingdon, VA.

The experience backing the Chilean industry results in favorable sales. "Oppenheimer growers are selecting the newest and best varieties available, which in turn benefit the retailers and, espe-

cially, the customer," explains Evan Myers, stone fruit category manager for The Oppenheimer Group, headquartered in Vancouver, B.C., Canada. "Repeat business benefits everyone in the supply chain, and we can achieve this by delivering a satisfactory eating experience, every time."

WINNING PRODUCTS

Chile is shipping a wide variety of successful products to the U.S. market. "The citrus introduction greatly exceeded our volume goals," reports Tom Tjerandsen, managing director North America for the Chilean Fresh Fruit Association, (CFFA) in Sonoma, CA. "We are hoping to add pomegranates and fresh figs soon. Blueberries also have an aggressive plan to increase sales by 35 percent, on top of the 45 percent increase last season."

"It seems snack and finger fruits tend to be the most popular," acknowledges Eastes. "Grapes and berries, especially blueberries, typically achieve the highest per-pound prices of all the other fruit items. Clementines and easy-peel seedless citrus are growing in popularity, too, and Chilean navel oranges are finding their place now in the North American marketplace. The consumption of avocados continues to rise and it remains a high-value item with increasing demand. Cherries, although harvested mostly in a very brief season pre-holiday, are an item that can be expanded into January."

Cherries and blueberries, in particular, can be very unique products to promote in January and February. "We are looking forward to the cherry and stone fruit season," adds Cox. "Since cherry season hit earlier this year, we anticipate a longer selling season. Cherries should be available through January. Customers are looking for something different after the holidays as they think more about eating healthy during the New Year, making it an excellent time to advertise and promote cherries."

"The increase Chilean blueberries have experienced in recent years is outstanding," reports Manuel José Alcaíno, president of Decofrut, a Chilean export company located in Santiago, Chile.



Customers and retailers alike look forward to Chilean stone fruit as a bright spot during the cold winter months.

"They're projected to increase 30 percent this season over last. This has generated some packaging changes, foreseeing greater use of larger formats, such as the 6-ounce and most recently, the pint. We expect a very good quality season this year."

New varieties and unique products provide additional opportunity for this season. "We see particular promise in the plum category," says Myers. "Two exciting varieties — the red Sapphire plum, which arrives in the first half of January, and the yellow Lemon plum, which follows the first week in February — are becoming more mainstream. Retailers specifically request them due to their consistent, striking visual appearance and their excellent eating quality. These two varieties give retailers more options in the plum category, allowing them to offer their customers more plum varieties and colors."

"Persimmons are something to look for," adds Craig Uchizono, vice president of the Southern Hemisphere for The Giumarra Companies, headquartered in Los Angeles, CA. "Cherimoya is the exotic fruit for the future, too."

BEST PRACTICES

CFFA recently funded an exclusive nationwide research on Best Fruit Practices of Best Performing Retailers. The report

Organic Growth

While phytosanitary restrictions may prevent shipping a full line of organics from Chile, shippers are making progress on a few organic items. "We handle organic avocados and have good success with them," reports Mark Mulcahy, produce coordinator for New Leaf Community Markets in Santa Cruz, CA, which boasts six stores that handle 99 percent organic produce. "We don't handle much else from Chile since we work principally with organic products."

In addition to avocados, Chile also offers organic apples, cherries and blueberries. "By far, apples are the largest organic product from Chile," reports David Posner, president, owner and CEO of Awe Sum Organics Inc., headquartered in Capitola, CA. "They start arriving in March or April for the off-season when the domestic apples get tired. The first variety is the Royal Gala starting in March. After that, we have Granny Smith, Fuji — starting in April — and then the Pink Lady

beginning in May."

Organic cherries start either the last week of November or the first week of December. "They are exciting because they taste great," states Posner. "A lot of people think they are some of the best tasting cherries they can remember, probably because they are organic, which tends to have more flavor. We only bring in the best varieties: the Bing, Lapins and Vans."

Chile has become a major producer of organic blueberries, too. "The Chilean blueberries are good and they have great growing conditions," relates Posner. "All the plantings are fairly new so they are some of the most exciting, new and improved varieties. They start arriving around the last week of November or the first week December. Whereas cherries finish in January, blueberries finish in February. The blueberries go longer because they have a bunch of varieties and the varieties go in succession," he explains.

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uncovers high-performing retailers' category management tactics for berries, grapes, nectarines, peaches and plums. "The data reveals that retailers who incorporate the

reported key elements in their go-to market strategy had significantly better results than retailers who did not do any or only some of these tactics," reports Tjerandsen.

Some general discoveries of the report include the importance of assortment. "The research supported expanding variety across each category and upsizing berry packages, especially for blueberries," says Tjerandsen. "Promoting early in the season, promoting multiple varieties at the same time and using fixed weight grape packages were other top techniques."

The research also showed retailers were successful in using hi/low or EDLP. "Chilean fruit is price-sensitive and customers buy more on promotion," adds Tjerandsen.

"Anytime you can get information in front of the customer regarding a specific item, you have a chance in increased sales, which is a benefit to the retailer," adds Oppenheimer's Myers. "Especially in today's economy, when people are being choosier than ever about their purchases, it is important that shoppers feel confident that what they are buying will taste great and deliver on quality. By using POS materials that point out the nutritional benefits, as well as the fresh-crop sweetness of Chilean fruit, consumers will have a better understanding of the item and feel good about adding it to their shopping carts."

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Chilean avocados are a perfect match for Super Bowl-themed promotions.

display contests and offering a full range of POS to interested retailers," notes Tjerand-sen. "Most of the funds go to tagged television. In exchange for retailer promotions, we offer five-second tags that tell shoppers where to find the seasonal fruit from Chile."

Coordinating with suppliers is important to effective promotion. Eastes of Market 52 believes, "The most important element in promotion is accurate and timely supply information. What is the volume, what is the quality and when will it be available?"

"Growers like to drive sales with promotions throughout the season and are interested in programmed sales that work to the advantage of everyone involved," says Myers. "We have had success over the years with clamshell promotions, especially in the plum category."

Playing up the counter-seasonal aspect of the deal creates fun and excitement in the produce department. "In January, I always like to do a June-in-January sale," reveals K-VA-T's Cox. "We advertise peaches, plums,

nectarines and cherries simultaneously with nice, expanded displays during that week."

"Promoting peaches, nectarines, plums, cherries and grapes at the same time and promoting Chilean winter fruit as the theme are proven tactics," adds Myers.

Retailers can look to events and parties for promotion inspiration. "In January, we price our Chilean avocados very aggressively," says Mark Mulcahy, produce coordinator for New Leaf Community Markets, based in Santa Cruz, CA. "People like to have avocados around the Super Bowl. Cross merchandising with avocados and other party items is great for the football play-off season. You want to make sure you have ripe avocados because they sell better. By putting avocados on sale during the holiday and winter months, you can sometimes increase sales three or four times."

Visibility is a crucial component to remember. "Selling products in a secondary location in the department really helps drive sales," says Cox. "Drawing attention to



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the product makes a difference."

Eastes adds, "While there are hundreds of promotional adages, my favorite from an old timer is: 'Stack 'Em High, Price 'Em Low, Stand Back and Watch 'Em Go.'"

LOGISTICS

This year's deal looks to be on-track with the same shipping and logistics as previous years. "A number of areas are expanding their port, cooler and treatment facilities," reports CFFA's Tjerandsen. "However, we're not aware of any of these facilities that will have completed their work in time for the current Chilean season."

"Our logistics plans are similar to last year," says Oppenheimer's Myers. "We've started the season in early November with our air freight program. The primary destinations are Los Angeles and Miami, though we also bring air fruit into New York City upon customer request, providing our customers with more alternatives. Air freight rates have decreased compared to last year,

which creates more options for growers and retailers alike."

"This season, Chilean exporters will have lower air freight rates than years past," notes Decofrut's Alcaíno. "This will benefit exporters of blueberries, raspberries, cherries and other fruits that are more delicate and need a faster transit time in order to arrive in the freshest condition."

Chile reports a great growing season and expects ample volume for promotion. "Mother Nature has been kind to Chilean fruit during the growing season and with the exception of a modest reduction from an early-season freeze, we are expecting a normal, but somewhat late, harvest," details Tjerandsen.

Myers adds, "Our key items are grapes, stone fruit, citrus and avocados, which we offer by both air and vessel programs, and with a wide range of value-added packs. In the 2009-2010 season, we will see about a 25 percent increase in our Chilean stone fruit offerings, with growth in all commodities,

particularly plums."

Despite all their hard work, Chilean growers and exporters still expect one disadvantage they can't control. "Chile has begun our export season with an unfavorable exchange rate for export, compared to last season," reports Alcaíno. "The Chilean peso has appreciated with respect to the U.S. dollar, which presents greater difficulty for exporters and lower returns for growers."

As Chile looks to the future, organic and sustainable practices will play a major role. "We bring all our product by boat," states David Posner, president, owner and CEO of Awe Sum Organics Inc., in Capitola, CA. "It has a very low carbon footprint and actually takes less energy than trucking the product across the United States. It is very efficient way and we have fresh fruit, as opposed to stored fruit. The move toward organic production in Chile gives them credibility toward the future. They've recognized the fact that they have got to take care of the soil and the ecology." **pb**

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Mexico's Bounty Increases Variety and Value

Knowing the full line of what Mexico has to offer helps retailers stay on top of market needs and trends.

BY JODEAN ROBBINS

While Mexico has long been known for its big volume products such as tomatoes and watermelon, increasing variety from Mexico gives retailers more options during the winter season.

"The Hispanic Market is growing, as well as the indulgent consumers' choices," says Froylan Gracia, counselor for agricultural affairs at the Embassy of Mexico in Washington, D.C. "Besides products such as tomatoes, avocados and other fresh fruits and vegetables commonly found at retail stores, Mexico supplies products such as guavas [recently allowed to be exported], mangos and other specialty products, offering huge opportunities to retailers."

According to the USDA Agricultural Marketing Service, top exports from Mexico include tomatoes, watermelons, cucumbers, avocados, limes, bell peppers, squash, chili peppers, onions, mangos and broccoli. The showcase at the MexBest pavilion at

the Produce Marketing Association's Fresh Summit Convention this past October demonstrated the wide assortment of Mexican products. "Every one of the Mexican growers worked very hard to showcase their products," says Jairo Luke Verduzco, manager of HortiAmericas LLC, in the United States in Nogales, AZ. "Examples of products included guacamole, salsa, juices, fruits, packed fruits and many different types of vegetables."

The quality and affordability of most Mexican items allow retailers to promote value. "The most exciting thing about the upcoming season will be the availability of high-quality, promotable produce throughout the Fall, Winter and Spring seasons," says Jerry Wagner, director of sales and marketing for Farmer's Best International LLC, based in Rio Rico, AZ. "We will be offering multiple opportunities for our customers to be providing the American consumers true value for their food dollar."

NEW PRODUCTS AND PACKAGING

Having gained admissibility in the summer of 2009, guava is one of the hot new products for Mexico. "Mexican-sourced *guayaba* [guava] is a big new product right now," says Alfonso Cano, produce director for Northgate Market, a 30-store chain, headquartered in Anaheim, CA. "The Mexican product is very different from the ones out of California. Their color looks really ripe and they have a great smell in the store. We're working on a program now to sell them year-round."

"We anticipate handling the Mexican guava," adds Paul Kneeland, vice president of produce and floral for Kings Super Markets, in Parsippany, NJ, with 36 stores. "Of course, it needs to pass the presentation and taste test for us, but we expect to have it this year."

The more traditionally marketed items also continue a strong showing. "All the different chili peppers are really exciting," states Jimmy Ross, vice president of produce operations for Lewis Food-



Limes are one of Mexico's top exports.

town, a 26-store chain based in Houston, TX. "We also do a lot with yucca and tomatillos."

"On a year-round basis, we carry Persian limes from Mexico," reports Ronnie Cohen, vice president of sales for Vision Import Group LLC, in River Edge, NJ. We offer them in 40-lb. bulk as well as 10-lb. loose and place-packed, PLU stickered. We also have started a Mexican lemon program this season, which occurs from August through January. These are Eureka variety, full of juice, from Tamaulipas, Mexico."

New packaging is another area of interest and additional ring. "Typically, we promote the Mexican avocados heavily," says Kneeland. "We've gone to a third avocado, a bagged avocado, in addition to loose and organic. We've researched it and it doesn't take away from sales on the other two."



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We've already tested them and they're definitely showing some sales."

According to APEAM, the Avocado Producers and Exporting Packers Association of Michoacán, based in Michoacán, Mexico, a projected 705 million pounds of avocados from Mexico will be shipped into the United States from July, 2009, through June, 2010. "Avocados from Mexico are gearing up to set a new shipment record this season and Mexico continues as the world's largest producer and provider of avocados into the United States," reports Emiliano Escobedo, marketing director for APEAM. "Avocados from Mexico are in season year-round. Our quality programs and proximity to the market assure avocados from Mexico are fresh and their eating quality exceeds customers' expectations. We had a 65 percent market share last season ending June, 2009."

"We are very excited about expanding our lineup of retail-ready packaging in our specialty eggplant and mango programs," discloses Chris Ciruli, chief operating officer of Ciruli Bros. LLC, headquartered in Rio Rico, AZ. "This season, we will be offering Italian, Indian and Chinese eggplant in a 15-lb. box, available from November through early May. We will also market our Champagne mangos in a 4- and 6-pack clamshell with recipe labels from February through July. Both our mango and eggplant programs are supplemented by consumer-oriented, informative Web sites containing nutritional information, a wide array of delicious recipes and background information about the products."

TRIED-AND-TRUE MERCHANDISING

Tried-and-true merchandising strate-

gies are still the most recommended when it comes to the Mexican winter deal. "When the product shines and looks good, you make bigger displays," says Kings' Kneeland. "We like to create a Summer-in-February promotion. Get creative, think warm and get your customers to think the same way."

"Retailers can work closely with their suppliers to place product on ad and keep people interested in a wide variety of commodities," states Allison Moore, communications director for the Fresh Produce Association of the Americas (FPAA), headquartered in Nogales, AZ. "Just keeping customers coming to the store searching for delicious produce at a decent price is something many retailers are already experts at. They don't necessarily need to have a full scale program — just add a touch of creativity to what they're already doing."

Promoting value-added as well as cross merchandising always result in increased sales. "Selling value-added Mexican products is a win for everyone," says HortiAmericas' Verduzco. "Packing fruits targeted to kids, or veggies cut and packed ready for soups, are great ways to move additional volume."

"Retailers can look to cross-merchandise limes with other produce items such as avo-

cados and mangos," suggests Cohen. "They can also cross-merchandise limes and lemons with the fish and liquor departments to help sell the commodities."

The sales floor should maintain a quality focus, no matter what. "Retailers should focus on promoting premium quality products," says Jaime Tamayo, marketing manager for Divemex/Mexico, in Guadalajara, Jalisco, Mexico. "Most retailers promote high quality items in other departments. Produce shouldn't be the exception."

"The best attributes to promote are the freshness and availability of products," adds Brent Harrison, president of Al Harrison Co. Distributors, based in Nogales, AZ. "Take advantage of the various industry promotional boards for ideas and support."

Determining the right product mix to appeal to each retailer's customer base is also important. Escobedo explains, "By providing both large and small size avocados, retailers can give their customers a choice at varying price points. Research shows increased promotions equal increased profits. To maximize sales, retailers need to promote avocados from Mexico consistently and vary frequency and discounts based on market development. In developed markets, frequency of promotion, rather than

"In addition to the sophisticated growing, harvest, packing and transportation programs you'll find in Mexico, it should also be understood that produce imported from Mexico is inspected 900 percent more than domestic products."

**— Allison Moore
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EDUCATE STAFF AND CONSUMERS

As with any other product, greater education on the sales floor equals greater sales. "Education, education, education is key," says Moore. "FPAA is always more than happy to help retailers with educational materials to help their staff become more knowledgeable about Mexican products."

Having the facts on the quality and safety of Mexican product will help retailers better field questions from staff and customers alike. "Retailers can work toward educating their floor staff on the efforts Mexican growers put forth to ensure North America has access to the best quality and wholesome fruits and vegetables on a year-round basis," adds Moore. "Have the floor staff armed with statistics. For example, Mexican product is inspected 900 percent more than their domestic counterparts, or Mexico provides 37 percent of the imported fruits and vegetables consumed in North America on an annual basis. Understanding the product is the key to being able to sell it."

"Mexican growers work very hard to



bring products with excellent quality and safety for all customers to market," says Verdusco. "We welcome clients to visit Mexico whenever they want, talk with the growers and get to know the places where the products are growing."

Farmer's Best has created an educational

hotline for customers. Wagner explains, "We are focusing on education for chain personnel so they can, in turn, educate their customers. We have a 1-800 number at the disposal of any of our customers so their shoppers can call our merchandisers and nutritionist at any time."

COMMUNICATION IS KEY

Communication and relationships are just as crucial to the Mexico deal as to any other aspect of the produce business. "Communication is a major component of success," emphasizes Northgate's Cano. "Good suppliers really communicate the information on their quality and food safety programs. This helps us better work with and sell their products."

"Communication plays a strong role in being able to source the right product at the right time," agrees Foodtown's Ross. "To keep your business going, you have to respect the suppliers and what they tell you. You need to have a good relationship with them. I try to stay with the same suppliers because I trust them."

Frequent and honest communication is touted as paramount to success. "We speak with our grower partners in Mexi-

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co on a daily basis — sometimes two to three times a day,” reports Cohen of Vision Imports. “It is important for our growers and customers to know the real market in real time in order for us all to benefit. Communication is the best solution because everybody from the farmer to the ultimate end user gets value and makes a reasonable profit. The benefit to the grower is the highest possible results back to the farm. The benefit for consumers is receiving the finest quality product with long shelf-life, both at retail, as well as in the home. The benefit to buyers is having the freshest and best product available at the most reasonable prices a market will achieve.”

“You really just have to be frank and honest with what you want,” adds King’s Kneeland. “Buyers have certain specifications they want for the product. It’s not always about price, although price is important, especially in these current times, but it’s a long-term relationship. You stay with someone and work together through the good times and bad.”

CONFIDENCE IN QUALITY AND SAFETY

Although Mexico has been stigmatized in

the past, the industry continues to forge ahead with multiple food safety and quality programs. “All of the exporters in Mexico have internal quality programs and food safety programs in place,” reports Gracia at the Mexican Embassy. “Most of them rely on third-party certifications by U.S. firms, but there are also official programs accessible to all growers of fruits and vegetables. The greenhouse industry in Mexico recently adopted the SQF certification for all its members. This certification has quality and food safety components in the require-

“We are reducing the number of waxed boxes used in our operations and we are considering implementing a Fair Trade sticker program on some of our high volume items.

— Chris Ciruli
Ciruli Bros. LLC

“Buyers can help suppliers understand the different price points that move volume during peak season,” suggests Ciruli of Ciruli Bros. “Consumer input from the buyers is also vital to suppliers. As a supplier, it would be great to know what the consumers are saying about our products and what types of products they are looking for.”

A good relationship also means planning and ensuring business in the future. Wagner explains, “As one of the leading importers of fresh produce from Mexico, Farmer’s Best is pleased to announce our increased acreage this season. This increase ensures we can meet more immediate current customer demand as well as address new accounts.”

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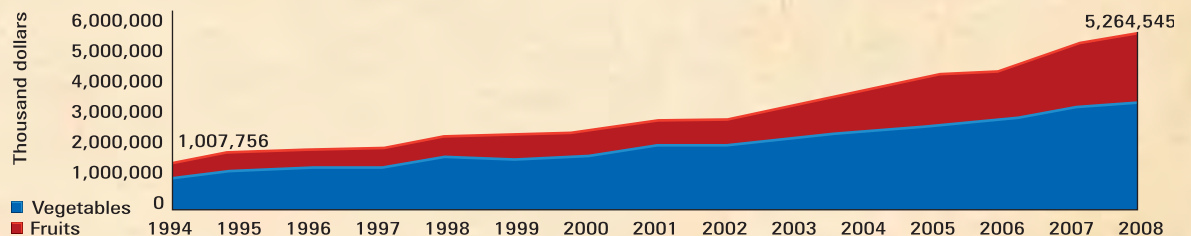
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México

MEXICAN PRODUCE: CONSISTENCY AND QUALITY FOR THE MARKETPLACE

Since NAFTA entered into force, Mexican produce has made great inroads into the U.S. market. Since 1994, U.S. imports of fresh fruits and vegetables from Mexico have increased 265 percent, with an estimated value of almost \$5.3 billion dollars in 2008. NAFTA certainly is one major factor for Mexico's produce having success in the U.S. market, so is consumer demand for year-round availability of fresh fruits and vegetables. However, perhaps the greatest key to Mexico's success is the fact that Mexican product is as good, if not better, than any in the world.

FRUIT AND VEGETABLE EXPORTS FROM MEXICO TO THE UNITED STATES*



With the implementation of the NAFTA, the concept of an integrated North American market began to move from an idea to a reality. In part, this has been possible since growers and processors in the three NAFTA countries do not, for the most part, directly compete with each other, but complement each other, enabling consumers to source fresh fruit and produce on a year round basis.

Mexican growers have worked hard not only to increase the quality and safety of the Mexican product, but also to enhance competitiveness in the world marketplace. With the help of new technologies and marketing practices, with an emphasis on reliability and customer service, and with the support of the government, Mexican produce can now be found almost anywhere in the world where consumers demand a quality product.

Those already buying Mexican produce know that the MexBest logo it carries is more than just a slogan; it is a description of the quality of the produce. Those less familiar with Mexican fruits and vegetables should speak to those who regularly purchase them to confirm that there is no better product anywhere.

The Mexican government views the promotion of sales of Mexican fresh fruits and vegetables to the United States as a major priority, and is working closely with growers in many areas to promote trade, quality and food safety. Food safety issues are not stopped by borders, and as the recent raw spinach and lettuce episodes show, even when contamination is traced back to a specific grower or field in one country, sales of the products can be affected in all three countries. And, nothing closes a border faster than an outbreak of a foodborne illness. Everyone involved in the distribution chain — growers, packers, transportation companies, and wholesalers — have a vested interest in ensuring food safety. This is one area in which there can be no compromise of standards or requirements, both the Government and private sector in Mexico remain committed to doing the maximum possible in this area.

As we move forward into the 21st century, the need to ensure food safety is paramount. Food safety practices have become more sophisticated, and more effective, as have monitoring and traceback techniques. Food safety is a joint effort between the Government and the private sector, and in Mexico, the Government is continually seeking to improve upon the stringent practices already in place.

As the North American governments take steps to further promote the integration of the North American market, Mexican growers and processors will continue to reliably provide our customers with the safest, highest quality product available from anywhere in the world. This is what you can expect when you see MexBest.

* Data Source:
Department of Commerce,
U.S. Census Bureau,
Foreign Trades Statistics



INCREASE YOUR BUSINESS WITH MEXICO

The Agricultural Office at the Embassy of Mexico offers various opportunities to build business with Mexican fruit and vegetables. Be sure to check out these available programs.

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Helps retailers enhance the value chain of produce from Mexico by organizing business agendas and trade missions. More than 20 of the largest U.S. retail firms have visited Mexico under this program.

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PROMOTION BOARDS

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TRADE SHOWS

For 2010, the Ministry of Agriculture of Mexico under the MexBest image will be participating in the following trade shows:

SHOWS	DATE	PLACE	EXHIBITORS
Natural Products Expo West	March 12-14	Anaheim, CA	10
United Fresh Produce	April 20-23	Las Vegas, NV	12
FMI Show	May 11-13	Las Vegas, NV	10
Biofach/Natural Products Expo East	October 13-16	Boston, MA	12
Produce Marketing Association (PMA)	October 15-18	Orlando, FL	120

Key shows in Mexico that buyers may be interested in attending include:

SHOWS	DATE	PLACE	WEB PAGE
Expo Agro Sinaloa 2010	February 3-6	Sinaloa, Mexico	www.expoagro.org.mx
Expo ANTAD 2010	March 10-12	Guadalajara, Mexico	www.expoantad.net
Alimentaria Mexico 2010	June 1-3	Mexico City	www.alimentaria-mexico.com
Expo Orgánicos 2010	To be determined	To be determined	

If you're interested in establishing solid business relationships with Mexico, we will be organizing four Trade Missions to Mexico in 2010. For more information, please contact Hector Cortes at hcortes.sagarpausa@verizon.net or by phone at (202) 728-1727.

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ments. The quality of Mexican products is superior to many products grown locally and seasonally in the United States."

FCAA's Moore adds, "The same quality assurance programs available in the States, such as Primus Labs, NSF Davis Fresh, etc., are also used in Mexico. In addition to the sophisticated growing, harvest, packing and transportation programs you'll find in Mexico, it should also be understood that produce imported from Mexico is inspected 900 percent more than domestic products."

"Most growers have third-party audits on GAPs and GMPs and all complying with FDA standards," reports Divemex's Tamayo. "The State of Sinaloa in Mexico is implementing a legal initiative to prohibit a single product from leaving the state if the grower is not certified by GAPs and GMPs. The AMPHAC [Protected Agriculture Association] is working with a similar initiative and both are very well advanced."

Individual companies and industries take this issue very seriously. "Our packer is both HACCP- and Primus Lab-certified," reports Cohen. "Our lime growers and packers are GlobalGAP-certified as they also export to Europe. We only deal with shippers who conform to proper quality assurance standards

as the industry now requires."

"To ensure maximum quality, avocados from Mexican producers and packers adhere to the toughest world-class standards for food safety," states APEAM's Escobedo. "In fact, they abide by standards that exceed international standards, including leading-edge food safety technology; timely fruit trace-back based on fruit coding and harvest data; hand-picked fruit that never touches the ground; independently certified packers; orchards that abide by strict guidelines for food safety; sanitary standards and product quality; and growers that follow high standards for imports set by export markets."

Information on food safety and quality programs should be readily available from suppliers for the buyer's review. "Retailers should know the product is safe, just like with any source," suggests Northgate's Cano. "The Mexican companies we employ go above and beyond the necessary safety requirements due to past history and stigmatism."

"It gets back to choosing the right growers who have a good reputation for quality assurance along with food safety and traceability," asserts Kneeland. "These are all very important right now. Overall, we keep a close eye on this and make sure people

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Extreme Makeover: Nogales Port

The crossing at Nogales, AZ, known as the Mariposa Port of Entry, is one of the most significant points of trade for U.S.-Mexico business and is poised to receive an extreme makeover. "Right now, Nogales crosses over 4 billion pounds of produce from Mexico each year, which represents about \$2 billion," explains Allison Moore, communications director for the Fresh Produce Association of the Americas (FPAA), in Nogales, AZ. "We are the largest port of entry for produce from Mexico, and one of the largest ports of entry for produce in the entire United States. Nogales is also key for U.S. goods being exported to Mexico."

However, the port facilities were not constructed to handle the amount of business currently passing through their border. "The current port of entry in Nogales was designed to process 400 trucks on a daily basis," reports Moore. "We currently cross 1,600 trucks during the peak of the Mexican produce season. While U.S. Customs and Border Protection and the industry have worked together to become as effective and efficient as possible, the current facility is outdated and inefficient at crossing the volumes we handle today. A new port will improve the

efficiency of trade between the United States and Mexico, while maintaining the necessary amounts of security as defined by the Department of Homeland Security."

The Mariposa Port of Entry started its reconfiguration in November, 2009, and is estimated to be completed in 42 months. "The entire port will be dismantled in different phases and rebuilt as an entirely new facility," explains Moore. "We will have additional lanes for commercial trucks, passenger vehicles, buses and pedestrians. The entire dock for offloading commercial vehicles for inspection will be new. We will have 56 dock spaces deep enough to completely offload a truck directly behind that truck, as opposed to our current situation where one truck takes three dock spaces just to be offloaded. All of the crossing lanes will have ample room to include the technology that Customs uses to prescreen cars and trucks, such as license plate readers, radiation detectors, SENTRI card readers for trusted traveler programs, and more."

"From a marketing standpoint, this new Port will show retailers that the infrastructure that exists for guaranteeing the quality of imported produce is far greater than that

used for domestic produce," says Veronica Kraushaar, president of VIVA Global Marketing LLC, headquartered in Nogales, AZ. "You are talking gamma-rays, x-rays, personal inspections, all done in a user-friendly, 'green' facility, with the latest technology ensuring the produce does not suffer from temperature changes or delays. Most importantly, all this care and expense does not cost the retailer anything extra!"

The new port will benefit everyone in the chain, from supplier to retailer, by facilitating shipments as well as quality of product. Moore remarks, "The new port of Nogales will be the model port for all future port enhancement projects in terms of our use of technology, design, and innovation in moving traffic across a border. A new port of entry will make it more efficient to cross product to the U.S. distributor's warehouse and, subsequently, to buyer's trucks waiting to load the product and carry it to places across the United States."

"The new Port promises to continue to raise the bar on the overall quality and efficiency of imported produce from Mexico," adds Kraushaar. "We can't wait to see it in operation!"

pb

are performing to our specifications and following through with it."

FAIR TRADE & SOCIAL RESPONSIBILITY

The Mexican produce industry is acutely aware of the importance of sustainable farming and fair trade practices. "Protected agriculture farming methods are growing by leaps and bounds in Mexico," reports Moore of the FPAA. "Integrated pest management programs allow for reduced pesticides. Drip irrigation allows for reduced water, fertilizer and pesticide consumption as well."

These areas are a growing interest among U.S. retailers. "We're not handling any Mexican Fair Trade products currently," says Kings' Kneeland, "but we would be interested in them since we work with these programs from other countries, such as Argentina. It is important to support social responsibility and help the farmers sustain crop growth and future generations of farms."

Although the marketplace hasn't yet seen a substantial fair trade or sustainable offering in produce, programs are being implemented in several sectors. "Several growers have adopted organic and sustainable farming practices," relays Gracia of the

Mexican Embassy. "In the produce sector, we have seen several NGOs working with small, rural communities and indigenous communities that are growing top quality fruits and vegetables."

"Transfair USA has been working with coffee growers and some fruits, such as bananas, in the Fair Trade program," says Tamayo. "Fresh fruits and vegetables are new to Fair Trade, and we're in discussions about how Divemex can get involved."

Forward-looking growers take pride in the social and environmental programs they have in place. "We have won numerous awards from both the government and regulatory agencies for our safety, sustainability and social responsibility programs," says Wagner of Farmer's Best. "But we go one step further by ensuring our sustainability program is the best it can be: we have a full bird and turtle sanctuary adjacent to our ranches, which we believe says everything about our stewardship of the land."

Ciruli of Ciruli Bros reports, "We are reducing the number of waxed boxes used in our operations and we are considering implementing a Fair Trade sticker program on some of our high volume items. We are also

working with various third-party certifiers who audit us based on our implementation of proper social responsibility, security and food safety practices. We have worked hard and will continue to improve on social responsibility on both sides of the border, modeling our family's values and code of ethics both in Mexico and in our U.S. operations."

On July 9, 2009, APEAM began a reforestation program including municipalities that are certified to export avocados to the United States. "The program's objective is to maintain environmental sustainability for their avocado production," details Escobedo. "To date, the program has already exceeded its first-year goal. We have planted more than 50,000 pine trees of various species according to the characteristics of the land where they are being planted. Since this program is for the benefit of growers, packers and the society of Mexico at large, activities were carried out in different forms, including reforestation in compact areas with soil suitable for forestry; the establishment of perimeter fences; access roads to areas surrounding the orchards with the objective of protecting the orchards from the wind; capturing water and retaining moisture in the soil."

pb

Specialty Citrus

Specialty citrus is a rapidly growing subset of the traditional citrus market. As consumers snap up unusual and new citrus, producers continue to expand their horizons.

BY JON VANZILE

Patrick Ahern, a buyer with Baldor Specialty Foods Inc., in the Bronx, NY, has a simple piece of advice for retailers who want to sell specialty citrus: "The trick is to just have it. People are looking for it," he says.

Ahern ensures his company has a full line of specialty citrus available, which can mean up to a dozen different kinds of fruit, spaced across a compressed season. So far, consumers have had a positive reaction.

"The nice thing about citrus is it is such a large variety of fruit," points out Lance Walheim, vice president at California Citrus Specialties Inc, headquartered in Springville, CA. "The market is growing all the time because people are always looking to try new things."

AN ODDBALL MARKET

Specialty citrus is something of an oddity in the produce section. While many produce items are

moving to year-round availability, thanks to global sourcing, specialty citrus thrives on seasonality and limited availability.

The first specialty citrus, such as the Buddha's Hand Citron, becomes available in October or November. After that, successive varieties become available for varying durations — sometimes as short as four weeks — until spring. None of the specialty varieties are available on a year-round basis, although that might be changing.

The segment is also unique for its sheer variety. In other areas of the produce department, the focus on year-round, permanent displays almost inevitably means limited varieties of any particular product. In specialty citrus, however, the opposite is true: the segment is defined by its jumbled variety of varieties and products.

This presents both a challenge and an opportunity for retailers, notes Ahern. The opportunity is obvious: as a rare and unusual item, specialty citrus can help build up a store's cache with customers, increase customer loyalty and create a sense of excitement and surprise in the produce aisle.

Perhaps even better, in today's "foodie" culture, people who are in the market for unusual citrus are often willing to pay a premium, meaning that the category has potentially excellent margins. "You're not really working on the margins," contends David Mixon, senior vice president and chief marketing officer for Seald Sweet International, based in Vero Beach, FL. "Consumers are glad to see tangerines or tangelos. They're not really looking at price. It will most definitely pay for itself."

However, there are limits to what the market will bear, even with unusual and highly desirable citrus fruits. Walheim cautions against pricing potential customers out of the market. "The margins depend on the variety," he says. "Much of what we're trying to do is get people to try them, so they should be affordable."

The category has other challenges, too. Consumers are often unfamiliar with many kinds of specialty citrus, so exotic items such as kumquats, Pummelos and Cara Cara Navel oranges don't have a large, built-in following. This means that customer education is essential. "The more informa-



Though the window of availability is short, retailers and consumers alike look forward to the arrival of specialty citrus varieties.

tion, the better," asserts Walheim. "If you can give information about where it comes from, its background, and how it compares to other varieties — that's all useful."

Of course, because of their limited availability, merchandising specialty citrus usually means taking over part of the regular citrus section, which might translate into lower sales in traditional citrus categories.

WHAT IS SPECIALTY CITRUS?

According to citrus experts contributing to this article, the traditional citrus category is

dominated by only a few varieties of fruits: Navel and Valencia oranges; Ruby and White grapefruit; Lisbon and Eureka lemons, which are virtually indistinguishable; and Persian limes. These varieties have come to dominate citrus because they are dependable and tasty and they can be stocked year-round, thanks to a global citrus industry that extends from the United States into South America.

But these dominant varieties are only a fraction of the many kinds of citrus being grown. Specialty citrus includes the following categories:

- Oranges, including Blood oranges, Sour

"One of the most popular specialty items continues to be the Clementine because it's easy to peel and nearly seedless, making it a perfect item for lunch boxes or a healthful snack."

**— Julie DeWolf
Sunkist Growers Inc.**

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oranges and Cara Cara Navel oranges. This is the largest segment of specialty citrus.

- Mandarins, including Clementines, Satsuma and others. Tangerines are also included in this category, and the terms "Mandarin" and "tangerine" are often used interchangeably. The Pixie Mandarin, for example, is often marketed as the Pixie tangerine.

- Tangelos, a cross between a tangerine and Pummelo grapefruit. These are available both from California and Florida farms, and each state produces a distinct fruit.

- Limes, including Key limes and Kafir limes.

- Lemons, including the Meyer lemon and Italian lemons used to make Limoncello.

- Grapefruits, including the Pummelo and other hybrids. This segment is more fragmented because there are more varieties.

- Others, such as kumquats, Yuzu and citron.

With the exception of Meyer lemons and key limes, which are both on the verge of year-round availability, these varieties are generally only available for brief periods between October and May. Most of them are grown in California, although Florida and Texas producers also offer some specialty varieties, and a select few are imported from South America, Europe and New Zealand.

"All of our specialty varieties are highly seasonal," reports Julie DeWolf, director of retail marketing at Sunkist Growers Inc., headquartered in Van Nuys, CA. "Most are available at some point between December and May. Some are in the market for multiple months, such as the Cara Cara Navel orange, which is available from December through April, and others are only around for a short time, such as Satsuma Man-



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Tangerines are among the more popular specialty citrus varieties and are often sold in 2- or 3-lb. bags.

darins, which arrive in mid-October and are gone before Christmas."

Selling specialty citrus means rotating unique stock through the citrus display, coupled with promotional efforts to make sure the product turns.

SELLING THE SPECIALTIES

There are two basic markets for specialty citrus: the curious and the dedicated. Curious consumers are those who might have been exposed to the idea of a specialty fruit and want to try it out. They are often unfamiliar with the fruit and need some reassurance in the produce aisles. These consumers appreciate signage that explains the fruit, compares it to a known variety and even gives tips for using it. Product demonstrations are perfect for this consumer, and many producers recommend demonstrations to help move fruit. "In-store tastings are a wonderful tool to increase consumer awareness and drive sales," maintains Mark Solomon, president of Fisher Capespan USA LLC, in Gloucester City, NJ.

Dedicated consumers, by contrast, are those who wait all year to get their hands on their favorite rare fruit, or those who are familiar with the fruit as an ethnic specialty. Sour oranges, for example, are an integral part of many Hispanic dishes, so Hispanic consumers will seek them out. Similarly, the Pummelo is a favorite among Asian consumers, who eagerly search for these distinctive fruits.

"The Pummelo does very well in the Chinese New Year," says Scott Owens, vice president of sales and marketing for Paramount Citrus Association, based in Delano, CA. "If

you focus on the right time to promote them and if you have a large Asian population, you'll do very well."

Dedicated home chefs will also look for interesting and exotic citrus for their own use, especially if the fruits are featured in a respected cooking magazine or on one of the many cooking television shows. Food service, too, plays an important role in spreading awareness of specialty citrus.

"People often have a foodservice experience and note that chefs are using a Meyer lemon, for example, instead of a Lisbon lemon," says Robert Schueller, director of public relations with Melissa's World Variety Inc., in Los Angeles, CA.

In fact, Meyer lemons were popularized to such a degree by top chefs that producers expanded Meyer lemon acreage and importers started to bring the fruit in from overseas to satisfy the strong demand. As a result, the season has expanded and they are now nationally distributed. In the next few years, Meyer lemons will likely cease to be considered specialty citrus at all and be available on a year-round basis.

Finally, people in citrus-producing states tend to be the heaviest consumers, because they're most likely to be familiar with the fruit. "Sales are growing in all areas of the country," states Solomon, "but it's often the citrus-producing states that are the biggest consumers of the specialty varieties."

Dedicated consumers aren't as reliant as curious consumers on signage and recipe cards, but there is one critical piece of information they need: availability. These consumers need to know the fruit is available, so it's important to advertise the specialty



Cara Caras are sweeter than the traditional Navel orange and have been growing in popularity.

citrus in flyers, in-store displays and online. "You've got a lot of consumers who are familiar with the varieties, but if it's not brought out as a flashing point, such as in a sale, they might not see it," warns Seald Sweet's Mixon. "You have to build excitement and consumer awareness."

There is a strong upside to stocking these more unusual citrus varieties, beyond the immediate sales. As Baldor's Ahern notes, once customers find their fruit in your department three, four, or five times, they'll always come to your store looking for citrus.

"A consistent citrus program will build loyalty to the store," says Walheim of California Citrus Specialties.

Specialty citrus is typically displayed in the same way as regular citrus, just on a smaller scale. Varieties may be offered in bulk displays, sometimes in baskets nested within the larger traditional citrus display. Popular varieties, such as Clementines, can be offered in 2- or 3-pound bags or the industry standard 5-pound wooden crates, with clear signage.

"Merchandising plays a big role," emphasizes Melissa's Schueller. "Some people can't tell the difference between a Meyer lemon and a regular lemon, or a sweet lime and a regular lime."

To maximize sales, Paramount's Owens has another piece of simple advice: use a rifle-shot approach, instead of a shotgun approach. By this, he means really focus on

one specialty at a time and promote it heavily. "When you put a little bit of everything out there, it really doesn't knock anyone's socks off," he explains. "It just dilutes it. Instead, we have found that if you really want to make money, focus on one thing at a time and really drive sales."

SO WHICH TO PICK?

With so many varieties compressed into a relatively short sales season, retailers are left in a quandary over which variety to sell. To some degree, this will be determined by the demographics of the customer base. Produce departments in Hispanic neighborhoods will want Sour oranges, for example.

"Depending on the retail mix, you want an assortment of specialty varieties to capitalize on the benefits of being different," explains Schueller.

But there are a few fruits that are almost universally popular. Chief among these are the Mandarin oranges. "One of the most popular specialty items continues to be the Clementine because it's easy to peel and nearly seedless, making it a perfect item for lunch boxes or a healthful snack," states Sunkist's DeWolf.

In fact, Mandarins, including the Clementine, are steadily increasing in popularity. Varieties such as the Satsuma, Royal, Gold Nugget and Shasta Gold are being introduced regularly to an enthusiastic reception. Like the Clementine, all Mandarin varieties are thin-skinned, easy to peel and extremely sweet.

As Mandarins continue to grow, some producers expect them to soon make the

sionally reaching the size of a soccer ball. Less tart than traditional grapefruit, Pummelos have pink flesh that is distinctly sweet.

Tangelos, which are a cross between a Pummelo and a Mandarin, are another unusual fruit. They combine the sweetness of the Mandarin with the size of a Pummelo.

Minneolas, too, are remarkable for their appearance: they feature a distinct knob at the stem end. They are "sweet tart," according to Julie DeWolf, director of retail marketing at Sunkist Growers Inc., headquartered in Van Nuys, CA.

"Specialty citrus entices and impresses customers," asserts David Mixon, senior vice president and chief marketing officer for Seald-Sweet International, in Vero Beach, FL. "They know their store is doing something interesting and unique."

pb

transition to year-round availability, especially as importers start to bring them in from overseas.

"Mandarins and tangerines are the same fruit, but their origins are different," Schueller explains. "We believe this season we'll have Clementines available on a year-round basis. We're importing them from six different countries."

"Clementines will become mainstream," asserts Paramount's Owens. "It's a dominant player in the category, and they're only going to get bigger in the next three to five years. There's not that much that competes against them."

Other fruits have also been growing rapidly in popularity, including Cara Cara Navel oranges, which are sweeter than traditional navel oranges, and blood oranges, which are popular gourmet ingredients during their limited season. "The Cara Cara crop has been increasing in size over the last five years and is going to be available in much larger quantities in the 2009/2010 season," DeWolf reports. "It has consumer appeal because of its beautiful pink interior and sweet taste."

Cara Cara navel oranges are also power-nutritious healthy foods — a fact that can be easily promoted to customers. They are high in vitamins A and C.

Blood oranges, too, are increasingly popular. "We do more Moro Blood oranges than probably anything else," says California Citrus Specialties' Walheim. Moro Blood oranges are available from December to February. They are the deepest colored of the Blood oranges and the earliest ripening. **pb**

The Unusual Varieties

According to Patrick Ahern, a buyer with Baldor Specialty Foods Inc., headquartered in the Bronx, NY, there's also a benefit to stocking the more unusual varieties, even if the turn is small and the margins are tight. Offering the most comprehensive citrus selection possible is like a "public service," and it's good business. It generates excitement and creates strong customer loyalty.

"The benefit of stocking specialty citrus is that it brings incremental sales to the produce section," adds Mark Solomon, president of Fisher Capespan USA LLC, in Gloucester City, NJ.

Some of the lesser-known citrus varieties include Pummelo grapefruit and Yuzu citrus. Both are very popular in Asian cuisine. The Pummelo is the largest of all the citrus, occa-

Buying Produce Often Comes Down To Two Choices

For independent restaurants seeking the widest selection of produce, it pays to shop both terminal markets and off-market produce specialists.

BY JACQUELINE ROSS LIEBERMAN

When it comes to buying the highest quality and hard-to-find produce, owners and chefs at white tablecloth restaurants most often distill their decisions down to two basic options — order from a produce-specific foodservice specialist who delivers, or visit a terminal market and buy the produce directly from the wholesalers. Which is cheaper? Which is better? It all depends on who's buying.

FOODSERVICE SPECIALISTS

Companies that specialize in delivering produce to restaurants often provide more than just the food; they offer timesaving, money-saving services.

At Costa Fruit & Produce Co., in Boston, MA, "Our service and operational systems are designed with the chef in mind," says Michael Scuderi, director of marketing. "Strong lines of communication and personalized service ensure our customers have the information and resources they need to make the best buying decisions."

In addition to carrying many of the hot produce items chefs love, these companies will go out of their way to get what chefs request. At Indianapolis, IN-based Piazza Produce, the foodservice division of IF&P Foods Inc., "We procure the product," asserts Marcus Agresta, new business development manager. "We help them find items that we might not have in stock, such as black garlic. We help them find a lot of local items. We've always been known for our service, quality and variety."

Regina Mehallick, chef and owner of Indianapolis, IN-based R Bistro, a white tablecloth restaurant with a strong emphasis



Photo courtesy of John Vena Inc.

John Vena Inc., located at the Philadelphia Terminal Market, caters to chefs looking for specialty fruit and vegetables to include in their menus.

on seasonal and local food, has used Piazza Produce since opening her establishment in 2001. "I have a great working relationship with them," says Mehallick. She often works one-on-one with her personal salesperson. "If I need something, I contact Rita Mascari and she orders it and gets it especially for me. She knows my style. Here at the restaurant, I change my menu every week. One week I might be using celery root and another I might use parsnips."

But the road runs both ways, and sometimes, Rita reaches out to her. "She sends me e-mails occasionally, telling me what's seasonally available," notes Mehallick. "Sometimes, she'll get a specialty product and she'll call me and say, 'Can you use this?'"

Service, quality and variety have also put

Baldor Specialty Foods Inc., located in the Bronx, NY, on many chefs' radars, from Philadelphia to Southern Maine. The company goes out of its way to keep customers — including famous New York establishments such as Per Se and Le Bernardin — happy, according to Jim Chlebogiannis, vice president of sales. "We have a full team of buyers here 24-7," states Chlebogiannis. "The white tablecloth restaurants, they know that if they call us, if there's something out there, we have it or we're going to find it."

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the phones live until 12 at night," declares Chlebogiannis, to ensure customers get exactly what they intended to order. "When the customer asks for something, say spinach, and they leave it on a voice-mail, we don't know which type they want. We have 12 different varieties of spinach," he explains.

As a senior sales representative for Lancaster, PA-based Kegel's Produce, Michael Makara spends much of his time visiting the chefs at the white tablecloth restaurants he serves. "I'll sit down with them and discuss the availability of exotic produce, what works with items such as venison and buffalo. I'll bring in product and we'll do a tasting," he says.

Makara knows the styles and preferences of each of his customers, and keeps that in mind when introducing chefs to new items. "Very rarely will we get a new product that will fit for everybody," he explains. Makara will often reach out to chefs he thinks will be interested. Recently, he brought a new micro fennel to those clients he thought would be interested.

In addition to daily deliveries during nights and early mornings six days a week, many of these companies will make a second run during the day when necessary. For example, "If you realize you needed more than you thought, we'll go back that same day," says Agresta of Piazza.

At Baldor, "If they call by 11 am, they can get a second run," reveals Chlebogiannis.

Minimum deliveries to independent restaurants by companies such as these are small. At Baldor, the minimum is \$100 for any delivery, and occasionally less if a regular customer is in need. "It's done on a case-by-case basis," explains Chlebogiannis.

Makara notes Kegel's has a similar policy. If a regular customer calls him desperate for a delivery, "You cannot leaving them hanging," he says. "They can depend on us, and that's what counts. We are all about service. That's what separates your company from someone else's."

Though all of this service must cost something, these suppliers remark their prices are competitive with other wholesalers because they buy direct from growers at high volume. At Piazza, for example, "We have a lot of volume that we procure, so we are able to get a better price from the shippers," explains Agresta. "We have a lot of contract pricing in place."

At Costa Fruit & Produce, "We believe that by partnering with the nation's best growers and utilizing their top brands, we offer our customers the best value for their dollar," says Scuderi. "By choosing to use quality brands, they can be assured they will

receive the proper case weight, count-per-case and ultimately, the best yield. Our team of account managers has many years of experience in the food industry. Many are chefs and work closely with our customers to reduce their food cost while expanding and customizing their menu options."

When cash flow is an issue, depending on a customer's credit background, often these specialists will extend longer credit to independent restaurants — asking for payment in up to a month instead of 10 days, for example.

"Our team of account managers has many years of experience in the food industry. Many are chefs and work closely with our customers to reduce their food cost while expanding and customizing their menu options."

**— Michael Scuderi
Costa Fruit & Produce Co.**

CONVENIENCE AND FOOD SAFETY

In addition to specialty items, foodservice specialists often carry value-added products. "Value-added fresh-cut items can help reduce labor and food cost, while increasing product consistency," notes Scuderi of Costa Fruit & Produce. "Our Fresh Ideas division produces more than 500 fresh-cut fruit and vegetable line items, including custom-blended salads, prepared vegetable and pasta salads and stir-fry and julienne vegetable blends. Our manufacturing facility is approximately 10,000 square feet. Our fresh-cut products are made to order for next day delivery — anything from diced vegetables to baby peeled carrots with tops."

Baldor's facilities also include a HACCP-certified processing area where the company can create customized fresh-cut produce on demand. "We have chefs that want peeled celery root, peeled baby turnips, peeled baby beets," says Chlebogiannis.

Reader Service # 34

Reader Service # 51

Local Produce, Delivered

Restaurants offering dishes made from locally grown produce need not shop at every nearby farm or farmer's market to get what they want, as more and more foodservice specialists are delivering exactly this.

"I buy locally as much as I can," says Regina Mehallick, chef and owner of R Bistro, based in Indianapolis, IN. In addition to buying direct from local farms, she often gets local produce and meat delivered from Piazza Produce, based in Indianapolis, IN. She appreciates that Piazza notes which items are local on her invoice so she can advertise that fact on her menu.

Marcus Agresta, director of sales and marketing for Piazza Produce, notes, "We support many local growers and producers, and the independent white tablecloth restaurants have really gravitated toward that."

pb

"We'll do a quartered apple. We do skin-on French fries for a lot of people." All of these are available for next-day delivery.

At Piazza Produce, "We have a full line of processed items," says Agresta. "Everything from diced celery to pomegranate seeds."

For restaurants with little storage space, these companies can deliver small amounts of each item. Although many have — and still do — offer produce by the piece, which is quickly changing due to evolving traceability initiatives. Today, it is common for companies to re-pack in standard sizes ranging from large to small, such as three-packs of cantaloupes and six-packs of bell peppers.

When food safety is a concern, many companies specializing in foodservice, including Costa Fruit & Produce and Baldor Specialty Foods, offer high levels of food safety certification. At Baldor, when it comes to re-packing, "Anything we break, we break in a food-safe, HACCP-certified environment," explains Chlebogianis. "There's complete traceability here."

TERMINAL MARKET MERCHANTS

For restaurateur Georges Perrier, chef and owner of Philadelphia's famous Le Bec-Fin, shopping at Philadelphia's terminal market two or three times a week is a must. "I go there because I can get the freshest produce at a better price than I can elsewhere," he explains. "I can look all over the

center to see what has just come in and buy something that I might not have been planning to get, but because it is just in and so fresh, I will purchase it. Then, my executive chef, Nicholas Elmi, and I will come up with something to do with it. I go to the market at four in the morning when there are less people and I can spend time talking with the merchants about new things and new, special ingredients."

When chefs take the time to visit terminal markets, "They have an advantage because when you walk the market, you have the ability to look at everything you purchase," explains John Vena, president of John Vena Inc., merchants on the Philadelphia Terminal Market. "You can compare sizes, variety, quality and prices. You can look at the product itself and compare brands and products from vendor to vendor."

The turn-around is fast, too, which means the produce is often as fresh as it comes. "You have it the day after it's unloaded," adds Vena.

"Seeing what everyone has, keeping on top of prices and seeing what comes through the market and forging relationships with vendors is always good," notes Emily Frago, marketing manager for Coast Produce Co., merchants on the Los Angeles Wholesale Produce Market. "Oftentimes, we forget every single step of the way and all of the different options available to us."

Spending time at a terminal market puts chefs more in touch with the produce they are buying. Some have not forgotten that visiting the markets leads to education. "I saw a group of culinary students walking the market today," says Frago.

"It gives you a knowledge of what's going on in the produce business," says Matthew D'Arrigo, co-owner of D'Arrigo Brothers Co. of New York Inc., merchants at the Hunts Point Terminal Market, in the Bronx, NY. "They learn more about what's going on by coming in. I think chefs, in general, should come in more. It's an education for them. They'd learn a whole lot by walking the market now and then."

THINGS TO CONSIDER

But the wholesale markets have their challenges. Most of these merchants do not cater to independent restaurants and do not offer the same services or goods for which foodservice specialists are known. For example, while market wholesalers often carry value-added items that restaurants find useful, most carry far fewer of these items than foodservice specialists offer.

Delivery from these wholesalers is often

not an option, so the cost of pick-up must also be weighed. "The price might be lower here, but we don't deliver. They have to figure out their own logistics solution," says Vena.

Deciding to buy all or most of a restaurant's produce from a terminal market requires dedication. "It takes a lot of time and a lot of education to learn how this market works," says D'Arrigo, referring to the Hunts Point Terminal Market, one of the largest produce terminal markets in the world. Often, restaurants that do this invest in a truck or van and hire an employee just to buy produce.

"I go there because I can get the freshest product at a better price than I can elsewhere. I go to the market at four in the morning when there are less people and I can spend time talking with the merchants about new things and new, special ingredients."

**— Chef Georges Perrier
Le Bec-Fin**

Storage space and turnover within a restaurant are also issues. Terminal market wholesalers may be willing to sell produce in smaller quantities to smaller customers, though usually not to the extent that foodservice specialists do. Because John Vena carries specialty items, "We sell either in the original package or we re-pack as they want. Very little of our business is pallet-size," says Vena. "There's a lot of flexibility in package sizing."

But at D'Arrigo Bros., which specializes in commodities, as well as a few packaged items, such as washed spring mix, "They can buy as little as one box, but we won't break a box open for anyone," says D'Arrigo.

Terminal market wholesalers are also less likely to make an exception for a small business by extending credit. When it comes to most of these companies, credit is one-size-fits-all.

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United Supermarkets' Market Street Store Brings Service And Old-World Charm To Dallas

With its Plano store, Market Street provides a personal touch for its customers.

BY SANDY LINDBLAD LEE



With what seems like an unlimited assortment of grocery items from around the globe under one roof, combined with an old-world charm that personalizes the shopping experience for each visitor, United Supermarkets successfully earns a loyal following.

The Lubbock, TX-based 50-store chain now operates under three distinct brands: United Supermarkets, Market Street and Amigos United. The majority of its stores are situated in the Texas panhandle region. Its newest outlet, a Market Street store (inset) that opened about a year ago in Plano, TX, expanded its reach into the Dallas-Ft. Worth metropolitan region.

GUESTS AND FAMILY FIRST

With everyday groceries and gourmet offerings, Market Street can satisfy every type of customer at one store. According to a customer who was leaving the store after completing her list in one stop, "Then, they carry out your groceries for you and refuse to accept tips!"

The team of employees and management always refers to shoppers as "guests," more than merely "customers." Darvel Kirby, produce business director for United Supermarkets, asserts, "Our customers are our guests, and we still believe it is important to help them take their groceries to their car. While you'll notice some differences from one store to the next, one thing is consistent. We carry out our mission statement, which was the philosophy of our founder: 'Ultimate Service. Superior Performance. Positive Impact.'"

Upon entering the Plano, TX, Market Street, the store's unique ambiance is immediately apparent. The floor layout and soft lighting create a warm, pleasurable atmosphere that feels more like an upscale restaurant or hotel lobby. "Market Street is a world-class food concept store," explains Kirby. "It combines the everyday groceries and great prices the guests need, with all the specialty items, whole health, gourmet products and take-home cuisine they want."

Walking into the produce department, guests will notice spotlighted items of both conventional and organic produce. Exotic mushrooms, an entire section of tomatoes featuring all sizes and vine-on selections, fruits from around the world, juices and dressings, a colorful array of peppers and convenient pre-cut and packaged produce are a few examples of the variety here.

United Supermarkets longstanding grower/shipper relations allow the chain to buy direct. "We really pride ourselves on our partnerships with our growers and shippers," stresses Kirby. "Our procurement team values these long-time partnerships with our suppliers."

Tommy Wilkins, director of produce procurement, heads the team. "We truly believe the grower is a partner, not just a supplier," notes Wilkins, who is based in the Lubbock, TX, distribution center. "We value the relationships with the growers, which are often multi-generational farmers, some who we have partnered with since the earliest

years of United Supermarkets."

"United Supermarkets remains family-owned and its management includes members from the family's fourth generation. Now in its 93rd year of operation, its roots trace back to 1916, when H.D. Snell opened his first United Cash Store in Sayre, OK. In 1946, the Texas stores became a separate company when H.D. "Jack" Snell, Jr. purchased two stores from his father. Today, Jack's son, Robert Snell, serves as chairman of the board, while grandsons, Gantt and Matt Bumstead, are co-presidents of the company.

United Supermarkets represents the core concept of the company's chain of stores, with 38 outlets in 24 markets. Offering a unique blend of traditional and cultural food products, Amigos United is the company's international-format store. Currently, Amigos United has three locations.

"We've always felt that produce is one of the high image items for our company. Beyond the high-quality appearance of the products, we go that extra step to buy the best-eating varieties."

**— Tommy Wilkins
United Supermarkets**

Market Street's newest outlet in Plano brings that store count up to 10. "A Taste of Market Street" is also a feature of three Market Street stores. Taste is the addition of a 1,300-square-foot miniature version of Market Street — complete with a fuel station and a drive-through window — within the confines of the Market Street parking lot. "They feature a 'dinner-of-the-day' for take-home, so guests can pick up a meal without ever leaving the car," Kirby explains.

Throughout all store concepts, "We've always felt that produce is one of the high image items for our company," notes Wilkins.

"Beyond the high-quality appearance of the products, we go that extra step to buy the best-eating varieties."

LOCAL, ORGANIC AND MORE

Wilkins also believes in the importance of feedback from the produce employees and managers of the individual stores. "We are very retail-driven," he stresses. "We ask for input from not only the produce managers, but from store guests as well."

Matching today's trend toward buying local, United is taking the extra steps to pro-

cure local produce when possible. The Dallas-area store provides a good locale for carrying out this mission. "Some of the best local produce is from the area surrounding Dallas," Wilkins says. "Some of our guests' favorites are Parker County peaches, blueberries from Tyler, TX, and locally grown tomatoes, blackberries and cantaloupes. Not only does local produce help reduce the carbon footprint, but the less time it spends in the truck, the fresher the produce is upon arrival."

Kirby stresses the United spirit flourishes in the attitudes and enthusiasm of more



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WHAT'S NEW?

Ideal Sales Inc., Dallas, TX: As sole owners of Harvest Select, a Monte Vista, CO-based shipping operation, Ideal Sales has opened Harvest Select Dallas to provide additional services for its customers. According to Pam Dunning, a sales associate in the potato sales and transportation division at Ideal, Harvest Select Dallas has "a centrally located distribution facility" near downtown Dallas. "We now have reconditioning and redistribution services available. We receive by truck and by rail." Potatoes, onions and mixed vegetables from California, Mexico and Texas are the core items for Harvest Select Dallas.



Jason LaBarba, vice president of Ideal Sales Inc.

The additional operation will also help Ideal Sales improve product quality through cold chain maintenance. "The key is monitoring the cold chain from the packing shed, through the transit process, to the warehouse and then onto the deliv-



The Ideal sales staff, from left: Bill Hanson, Pam Dunning, Gary Price, Chris Bailey, Ryan Hall, Susie Lacy and Joe Price.

ery trucks," notes Sherman LaBarba, president of Ideal Sales.

Dunning continues, "We're also using Harvest Select, in Monte Vista, as a consolidation point for onions, apples and pinto beans, in addition to potatoes. Colorado's central location provides a good freight advantage for our customers, including those based in the Southeast and East."

Ideal Sales has also expanded into other regions. "We have increased our sales force and strengthened our distribution system by opening up satellite offices in other locations," LaBarba adds.

Specialty potato varieties and organics have been added to the product line.



The Combs Produce sales staff, from left: Ronnie Gaubatz, James Baker, Brett Combs, Brad Combs, Amy Catalani, and Vance Vonderheid.

Combs Produce Co. LP, Dallas, TX: Kevin Meguire joined the company recently as vice president of sales, marketing and procurement. Meguire was with C. H. Robinson Worldwide Inc. for most of his career and was general manager of the South Central division of the U.S. for seven years.

Another addition to the staff is Tim Rogers, in sales and procurement. His 20-plus years of sales and promotion experience include his most recent role with the Dallas division of Sunkist Growers Inc.

Industry veteran Jay Pack is now the executive chairman. "We are in constant contact with him and he brings great insight and experience," reports Brett Combs, president and CEO.

"The company Web site has been totally revamped," Combs adds, "and we're putting a greater emphasis on trade shows. We exhibited at PMA Fresh Summit for the second year in a row, which worked out great for us."

Combs also notes, "We've added a lot of customers this year," in spite of the struggling economy. "Business has been a little tough. People are more price-conscious. We've held up better than some other areas in the country, but it's still been a struggle."

Brothers Produce Inc., Friendswood, TX:

With more than 80 percent of its customers in foodservice, Brothers Produce added five more delivery trucks to increase its service throughout the Dallas-Ft. Worth metropolis and the surrounding area. Twenty-seven trucks are now a part of the delivery system, according to Jason Erenwert, vice president.

"We're also starting to move more into the high-end side of foodservice," including more white tablecloth clientele, Erenwert reports. He emphasizes, "We have actually experienced growth this year in our company. We've had some of our existing customers add new locations, and we've also gained new customers. We've been able to operate competitively. I don't think Texas has been as hard-hit as some other areas."

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Dallas Direct Distributing Co. LLC, Dallas, TX: Although it is one of the newer produce companies in Dallas, it comes with a wealth of experience. Dallas Direct Distributing procures produce and coordinates its transportation for the Dallas-Fort Worth metroplex and its surrounding area.

The company handles a full line of produce for the region, "also servicing all of the continental 48 states," notes Steve Ford, founder and president. Its customer base encompasses retail and wholesale customers.

In addition to president Steve Ford, Lex Miles and Scott Ford, Steve Ford's son, round out the staff.

Nogales Produce Inc., Dallas, TX: While its expertise in Hispanic produce is a major contributing factor to this 21-year-old company's explosive growth, it offers an increasingly diverse list of produce selections from a wide variety of additional ethnic groups. "Every single month we try to introduce new products to our customers," notes Monica Trevino, marketing coordinator, citing specialty items with Chinese and Indian origins among those gaining the highest demand.

While fresh produce offerings comprise the bulk of its business, Nogales Produce also features a wide selection of dried chili peppers, herbs, spices, and other grocery and restaurant supplies.

In addition to Texas, the company's distribution area covers a four-state region.

Hardie's Fruit and Vegetable Co. LP, Dallas, TX: "One of our main initiatives continues to be local, sustainable agricultural support," reports Dave Allen, vice president of sales. "This has involved not only identifying local growers, but supporting them. It involves more support of organic produce and supporting local farmers who are growing organics. We're doing promotions in cooperation with the Go Texan program."

Coordinating this area is Bill Neely. "Bill is a chef by trade, so he's well-suited for this specialized position," explains president Mark Austin. "Bill is promoting and working with foodservice distributors in these areas, including coordinating special events."

"As the wholesale model continues to evolve and change, along with the grower-shipper community we've aligned ourselves with, we are able to provide substantially increasing value to both our suppliers and our customers," Austin emphasizes. "Food safety is always at the top of our priorities," he adds, pointing out the consistent, excep-

tional ratings awarded to Hardie's by various independent food safety auditors and customer-affiliated inspectors. "Traceability is also a key. I cannot emphasize enough our attention to detail with every box of product that comes through our facilities."

Dallas Farmers Market, Dallas, TX: Massive improvements continue at the downtown market, which remains a draw to locals and visitors alike. Janel Leatherman, market administrator, reports, "This is all a part of a huge resurgence of downtown development, which also involves the addition of a park and an urban market that will include a grocery store, eateries and other retail space," she explains. "All the new townhouses that have been built are filling up. The resurgence is working."

The Dallas Farmers Market is open seven days a week, 362 days a year. Shed One space is mostly delegated to true produce farmers, with Shed Three for produce dealers who buy and resell produce. Shed Four houses produce wholesalers.

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than 10,000 team members, "who keep alive our founders' principles of honest pricing, quality and freshness, outstanding selection, unparalleled guest service and community involvement."

United views giving back to the communities as a great privilege. To that end, the chain has won several community service awards. In 2001, United Supermarkets was named winner of the Better Business Bureau's (BBB) National Torch Award for Marketplace Ethics, joining previous winners including IBM and Sony Corporation. Most recently, United was named one of the "Best companies to work for in Texas" by the BBB for three consecutive years.

Looking toward the future, Wilkins has been given the challenge of expanding his team "to provide a good mix of experience and youth." He and Kirby combine to represent more than 70 years of produce experience, and new team members are providing new ideas, while being trained in the complexities of fresh produce. "We are expanding the team, while keeping the core values that have worked for us through our history," Wilkins explains. "I have quite a passion for the produce department and I hope to keep instilling that into our team."

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A Taste Of The Tropics

Tropicals boost produce department sales by offering a warm-weather feel.

BY BRYANT WYNES

Snow-covered streets, ice-encrusted windshields and sub-freezing temperatures have many people thinking of warmer climates this time of the year. While certainly not a substitute for lounging on a sunny beach with a refreshing tropical beverage in hand, there are myriad unique flavors waiting in the produce department that can bring a taste of the tropics home to consumers any time of the year.

Tropicals, as they're known, are the unique fruits — and some vegetables — that are grown in tropical or subtropical climates. Everyone is familiar with two of the most popular tropicals, bananas and pineapple; so much so that we often fail to think of them as part of the tropicals category. Others, such as mangos — the No. 1 selling fruit in the world — and papaya — the fastest-growing item in the category — have been steadily increasing in popularity among American households. Enhancing the category are the spectacular and often unusual exotics, such as cherimoya, star fruit and Kiwano melons.

While many tropicals have been viewed as strictly ethnic items in the past, that is no longer the case. According to Mary Ostlund, director of marketing for Brooks Tropicals LLC, based in Homestead, FL, "Items such as papaya are now mainstream, and are purchased by a variety of consumers looking to add a little more variety into their diets."

Charlie Eagle, vice president of business development for Southern Specialties Inc., headquartered in Pompano Beach, FL, attributes the growing interest in tropicals to the popularity of ethnic restaurants. "Diners have been exposed to avocados,



Photo courtesy of Food Lion



Photo courtesy of Frieda's Inc.

Industry experts maintain tropicals are best merchandised as a group, while displaying cut fruit exposes consumers to new products, thus boosting sales.

UNIQUE PRODUCE — UNIQUE CHALLENGES

Due to the unique nature of the category, supermarkets are presented with a different set of challenges, opportunities and benefits when merchandising tropicals.

The first challenge is caring for the product at the point of sale. Educating retail associates is essential, says Karen Caplan, president of Frieda's Inc., headquartered in Los Alamitos, CA. Unlike other, more traditional produce, refrigeration damages tropicals. Caplan notes there's a temptation to refrigerate produce in an effort to prolong the life and reduce shrink. However, exactly the opposite will happen. "Remember, tropicals grow in very warm climates," she remarks. "Refrigeration is not helpful."

Educating consumers is another, obvious challenge, and one that presents an enormous opportunity for both suppliers and retailers. With so many different products and varieties, consumers may not know

papayas, persimmons and other tropicals in Indian, Mexican, Asian or Caribbean restaurants," he explains. "That translates into sales at the supermarket."

Robert Schueller, director of public relations for Los Angeles, CA-based Melissa's / World Variety Produce Inc., agrees. "Exposure to tropicals by various sources fuels consumer interest." Schueller credits the media, including television cooking programs and food magazines, for providing consumers with new ways to enjoy these new, unfamiliar items.

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Top 5 Tips For Tropical

1. **Educate.** Store associates and customers alike need to understand what these unusual items are, how to select, store and serve them. The Internet offers assistance with videos, recipes and discussions, but retailers should take the lead via in-store information. Remember to sample often!

2. **Use uniqueness to your advantage.** The mere fact that many tropicals are unusual can pull customers in, and appeal to their eagerness to explore unique tastes. This could prove very effective marketing to children.

3. **Plan for seasonal variations.** Some tropicals have seasonal peaks, just as traditional produce items do. Take advantage of these in promotions and displays.

4. **Engage customers with mainstream items.** Pineapple, mango, kiwi and other tropicals have become mainstream items. Use them to draw customers into your displays, where they can be exposed to some of the more unusual items.

5. **Experiment with variety.** Work with your suppliers to determine the best tropicals mix for your stores, taking your demographics into consideration. **pb**

how to purchase, store and enjoy some of the more unusual items, especially the exotics. Caplan recognizes this as the perfect opportunity to connect with shoppers. "As products ripen in the stores, retailers should see this as an opportunity to turn potential shrink into sales," she explains. "Offering consumers a taste of ripe fruit not only acts as a sales stimulator, but effectively takes advantage of a potential shrink issue."

Ostlund agrees, noting, "One of the best examples I have seen was a retailer that would take ripe tropical fruit, papayas for example, cut it open and then display and sample it for their customers. This took all the guesswork out of the buying and preparation for customers."

Exposing customers to some of the product as cut fruit is a real opportunity to gain sales. "We've been using cut pineapple — straight or as mixed fruit — for quite some time," reports Bob Spence, vice president of retail sales for Ready Pac Produce Inc., based in Irwindale, CA. "A couple of years ago, we started offering cut mango, and it's doing very well." Spence points out many consumers either don't know how to cut a mango or don't want to do it. "Cut mango is not easy to do, but it is proving popular, and it is a good way to introduce many customers to this popular tropical."

BEST MERCHANDISING PRACTICES

The ever-changing, seasonal product variety offers retailers an opportunity to present customers with impactful and interesting displays. "The neat thing about Mother Nature is that things are constantly changing," says Melissa's Schueller. "With seasonal varieties, there are no gaps in tropical displays."

There's a general consensus among both

retailers and suppliers that the most effective way to merchandise tropicals is as a group. Southern Specialties' Eagle maintains retail produce executives have a special opportunity to create a visual impact with tropicals. "The product has enough eye appeal that, that alone can draw customers to a tropical display," he explains.

"As products ripen in the stores, retailers should see this as an opportunity to turn potential shrink into sales. Offering consumers a taste of ripe fruit not only acts as a sales stimulator, but effectively takes advantage of a potential shrink issue."

— Karen Caplan
Frieda's Inc.

Gary Miracle, executive director of product field procurement for Associated Wholesale Grocers Inc. (AWG), headquarter-

Top 10 Exotics

1. Strawberry Papayas
2. Cherimoya
3. Red Caribbean Papayas
4. Kiwano Melon
5. Passion Fruit (seasonal)
6. Maradol papaya
7. Plantains
8. Quick Crack Coconut
9. Guava (seasonal)
10. Korean Pears (seasonal)

***Courtesy of Melissa's / World Variety Produce Inc.*

able to create a great value reputation with some kiwi bin promotions."

Many retailers have traditionally held tropical events in the winter. "Why not put out something different, exotic and unusual in the dead of winter?" advises Southern Specialties' Eagle.

There's also the halo effect for the entire department. Frieda's Caplan believes offering unique tropical fruit enhances the department's overall appeal, "which can carry over to the entire store," she notes, recalling a retail Taste of the Tropics event that involved other departments, including



Photo courtesy of Frieda's Inc.

tered in Kansas City, KS, reports his company's field merchandisers get involved regularly with their retail members to plan promotional events that highlight tropicals. "We typically recommend that all tropicals are merchandised in a common display area," he asserts. What's more, he encourages AWG retailers to focus their efforts on displays that integrate mainstream tropicals, such as kiwi, mangos, pineapple and avocados, with some of the lesser-known items. This way, the draw of the well-known and better selling items expose customers to the unusual or exotics products, such as star fruit, guava or cherimoya.

Food Lion LLC, headquartered in Salisbury, NC, and New England-based sister company, Hannaford, merchandise tropicals on a special Tropical Cart. Gaines Chamberlain, Food Lion produce merchandising manager, believes this display allows the store to place tropicals in various spots around the produce department, which fits well into the company's overall plan to keep produce displays mobile.

PROMO AND MARKETING OPPORTUNITIES

Various seasonal promotions timed with product availability are typical. Myracle points out AWG always tries to develop promotions in the Spring that feature pineapple and mangos at the peak of the season. But he also believes that a great opportunity exists to not only drive incremental sales and gross margin — said to be the highest in the department — with some unique brand-building themes. "Kiwi is now identified as a super food, which helps a retailers' reputation in the health and wellness field," Myracle explains. "At the same time, we've been

IN MEMORIAM



BRUCE ECKROTE

Controller for Genpro, Inc.

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Bruce Eckrote joined Genpro, Inc. of Rutherford, NJ as Corporate Controller. Previous to Genpro Bruce had spent over 25 years at Whatman, Inc. moving up from cost accounting to overseeing all of the North American Financial and Information Technology Operations. Whatman was an English based manufacturer of technical paper products that ranged from those used in medical and DNA testing to manufacturing the parchment on which the Declaration of Independence was written.

Bruce was instrumental in helping Genpro transition from a traditional temperature controlled transportation broker to an organization providing transportation services to a diversified customer base. His contributions to so many aspects of Genpro's financial management will always be appreciated, and certainly missed. Bruce was an individual with extremely high integrity, and ethics.

In addition to his many contributions to Genpro, Bruce was a major figure in the Wayne, NJ PAL where he coached baseball and basketball for 17 years. In addition to coaching, Bruce loved Seinfeld, the Giants, the Mets, and music.

Bruce is survived by his loving wife, Cindi (nee Kailo) of Wayne, and four children; Marissa, Susan, Daniel, and Michael Eckrote, all of Wayne. He will be missed by many including his family, friends, the many kids he coached over the years, and all of his co-workers at Genpro.



Photo courtesy of Freida's Inc.

Rambutans are one of the more exotic varieties of tropical fruit.

meat, bakery and canned products.

Brooks' Ostlund contends tropicals are a good way to engage children in the produce department. "The industry is always concerned about childhood nutrition and getting kids to eat more fruits and vegetables," she remarks. "Children are fascinated with star fruit, red bananas, Kiwano melons and other unusual exotic fruit." She recommends including tropicals in any marketing programs targeting children.

Perhaps one of the best marketing

approaches is to recognize the many possibilities tropicals offer retailers. "Melissa's works with retailers to find the best fit for each store," reports Schueller. "There is no cookie-cutter approach; one size does not fit all."

Food Lion's Chamberlain agrees, adding, "Tropicals provide the opportunity to match variety to neighborhood demographics, to offer the best selection that will appeal to our customer base in any given location at any time of year."

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Reader Service #21

Tips For Maximizing Peanut Merchandising

A variety of initiatives help boost year-round sales.

BY JULIE COOK RAMIREZ

Peanuts are just as much a part of Americana as baseball and apple pie. Like much of the produce category, peanuts have a certain degree of seasonality — not in terms of availability, but in popularity. Peanut sales tend to spike around the time of big sporting events, such as the Super Bowl, The Masters and the NCAA Basketball playoffs. Lakeland, FL-based Publix Super Markets Inc. even reports increased sales connected to the schedules of local sporting teams. Many peanut vendors report sales increases during the holidays, too, when entertaining and baking both contribute to heightened demand for all nuts, including peanuts.

Vendors also experience a significant rise in sales throughout baseball season, not just during the World Series. Severn, NC-based Hampton Farms has experienced such a surge in interest, it has even launched a Major League Baseball (MLB) officially licensed line of peanuts. It consists of 12- and 18-oz. bags of roasted and/or salted peanuts, packaged with the logos of 24 different MLB teams.

In between the excitement of the Super Bowl and the first crack of the bat in the springtime, however, peanut sales tend to lag. Come February, in particular, peanut sales fall precipitously, according to Pete Jessup, Hampton's director of retail sales. In fact, most vendors seem to have written off February as simply the slowest month for sales, perhaps realizing that peanuts will never rival chocolate as the way to a Valentine's heart.

Seeking to boost sales during the slow months, the Alexandria, VA-based American Peanut Council has designated March as National Peanut Month to provide retailers a



Despite the proliferation of shelled peanuts for sale, many still prefer their peanuts in the shells.

marketing hook to promote peanuts and hopefully spur sales. It falls to retailers, however, to be creative in their approach to marketing and merchandising peanuts if they hope to increase sales year-round.

Here are a few tips for maximizing the merchandising of peanuts year-round:

BOOST VISIBILITY

A highly impulse-driven category, peanuts very much fall into the classification of "out of sight, out of mind." It's critical, therefore, to keep peanuts in the forefront of the consumer's mind — and in the forefront of the store. Utilize secondary displays as much as possible, so shoppers can't possibly make their way through the store without being confronted by peanuts. "Customers go to the store to buy a loaf of bread or a gallon of milk," says Terry "Peanut" Williams, national sales manager for E.J. Cox Co., in Clarkton, NC. "They don't necessarily go to pick up a 2- or 5-lb. bag of peanuts, but if you make it readily available, they're likely to put it in their cart."

Target high-traffic areas and be sure to take advantage of cross-merchandising opportunities. The beverage category is a natural fit because studies show that virtually every peanut is consumed with a beverage, according to Betsy Owens, executive director for the Nashville, NC-based Virginia-Carolinas Peanut Promotions. It's easy to assume that beer would be the beverage most often consumed while eating peanuts, but soft drinks actually hold the top spot, according to Owens, followed by beer, then milk and water.

In the fall, peanuts can be merchandised around other fall favorites such as candy apples and apple cider, suggests Williams. "That's when peanuts are harvested and people are apt to be looking for new crop products," he explains.

During the summer, look for opportunities to merchandise peanuts alongside other warm weather favorites, such as American flags, beach chairs and sunflower seeds, suggests Jessup. "We've been very successful in capturing sales from those kinds of summer

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promotions," he reports. "It's something we are pushing for again this year and flushing it out as well."

PLAY UP THE HEALTH ASPECTS

In recent years, the healthfulness of nuts has made headlines, so why not use that news to encourage peanut consumption and sales? "We've become a stronger industry because of the health benefits that go along with peanuts and learning how to promote those benefits to the general public," says Williams. Incorporate signage and brochures touting the healthfulness of peanuts into your displays. E.J. Cox extols the healthful benefits of peanuts on its packages, while the Virginia-Carolinas Peanut Promotions provides merchandising materials touting peanuts as "the original health nut."

"There's a lot of people swaying away from bulk now because of allergens, sanitation and the upkeep required. When you have a combination of both bulk and packaged, that's when you sell the most pounds of peanuts per store."

**— Pete Jessup
Hampton Farms**

This year in particular, it's important to remind consumers that peanuts were not impacted by last year's peanut butter recall and are completely safe for them to eat. "The recall had a tremendous effect on the industry as a whole," says Joy Carter, director of communications for the Tifton-based Georgia Peanut Commission. "Consumers were confused; they didn't understand what peanut products were safe to eat."

Fortunately, peanut butter sales bounced back quickly. However, when it came to peanuts themselves, sales weren't so quick to rebound. "There still was some indecision about peanuts," says Owens. "Because they are a discretionary item, as opposed to a lunchbox staple, you don't really have to have them, so you don't do the research to

find out if they are safe or not," she adds.

While most retailers and vendors just let the scare run its course, some industry groups embarked on initiatives to educate consumers that it was safe to eat peanuts and peanut products. The American Peanut Council, for example, featured a list of peanut products on its Web site that were not on the recall list.

MIX IT UP

Many retailers have virtually abandoned in-shell peanuts in favor of pre-packaged shelled product. For example, at Jacksonville, FL-based Winn-Dixie Stores Inc., in-shell peanuts have pretty much gone the way of the dinosaur, according to Mike Carter, senior category manager for produce. "It's all packaged now," he says. "We do some green peanuts in bulk, but everything else has gone to packaged."

This dramatic shift is due to a variety of reasons, according to Hampton's Jessup. "There's a lot of people swaying away from bulk now because of allergens, sanitation and the upkeep required," he explains. "It's unfortunate because it's been our experience that when you have a combination of both bulk and packaged, that's when you sell the most pounds of peanuts per store."

Indeed, some consumers still prefer the old-fashioned in-shell peanut. According to Williams of E.J. Cox, in-shell peanut sales have remained steady for the past 10 years, despite predictions of the product's demise. "At one time, it was feared that in-shell peanuts might become the old-time product and that sales might dip, but we have not seen that," he says.

Determining the mix of bulk and packaged nuts is a very individual choice and should be based on a store's demographics. Retailers should be advised to watch sales

Practice Appealing Pricing

In these difficult economic times, it's important to offer peanuts in a variety of package sizes and prices. At Winn-Dixie Stores Inc., headquartered in Jacksonville, FL, Mike Carter, senior category manager for produce, reports sales rise when a 12-oz. package is offered, as opposed to a 16-oz. "When the price point is better, it's more attractive to customers and units are definitely up when you do that," he explains.

While the impulse nature of peanuts cannot be denied, it remains equally important to feature them on ad, so consumers start thinking about peanuts before they even reach the store. In addi-

tion to featuring peanuts in his ads, Winn-Dixie's Carter also has what he calls "good tills," where he will lock in a price for an entire month, "like a Buy-One-Get-One-Free or a really good price point," he clarifies.

Such promotions are a wise move, according to Betsy Owens, executive director for the Virginia-Carolinas Peanut Promotions, headquartered in Nashville, NC, as peanuts have proven very sensitive to promotion. She points to North Carolina State University research showing that a mere 15 percent reduction in price increases peanut sales by as much as 48 percent.

pb

trends and above all else, talk to customers and ask how they prefer to eat peanuts.

MAKE IT FUN

Motivate your produce managers to promote peanuts by staging display contests. Winn-Dixie regularly sends out sales information and challenges its produce supervisors to "get up behind it," says Carter. Meanwhile, Virginia-Carolinas Peanut Promotions sponsors a display contest to spark greater sales. Participating stores submit photos of displays they consider particularly eye appealing or attention-getting. All participants receive an "I Love Peanuts" T-shirt and will be entered in a semi-annual drawing for a 50-inch LCD High-Definition television.

Consumer-related contests can also draw attention to the category. Simple initiatives such as "Guess-how-many-peanuts-are-in-the-jar" slow the customer down and make them stop at the peanut display, often resulting in a sale.

Owens of Virginia-Carolinas Peanut Promotions also recommends stores utilize sampling to encourage trial and boost sales. Such an initiative is relatively simple, she says, in that all the produce manager needs do is put out a basket of peanuts and a container for the discarded shells. All too often, however, she hears concerns that people will devour a great many peanuts and then leave without making a purchase. That concern is largely unfounded, Owens says. "Mostly people just have a taste and then they are encouraged to buy some."

While brand sampling is "the simplest way to spur sales," Jessup worries that in-store peanut sampling is impractical, in large part due to the growing number of children with peanut allergies. "Because of the high concern of allergens, we don't see a lot of sampling going on," says Jessup. **pb**

ANNOUNCEMENTS



TROPICAL DELIGHTS IN FORT LAUDERDALE

Florida Nursery, Growers and Landscape Association, Orlando, FL, will host the 2010 Tropical Plant Industry Exhibition January 14-16 at the Broward County Convention Center in Fort Lauderdale, FL. TPIE is the trade event that offers everything foliage, floral and tropical. Featuring more than 400 exhibiting companies, TPIE also offers educational seminars.

Reader Service No. 336



MAJOR FLORAL MERGER

The USA Bouquet Company, Miami, FL, announces a merger with United Floral Exchange and Cal-Americas, both based in Vista, CA. The USA Bouquet Company is a leading floral distributor to food, drug and mass retailers with full-service distribution facilities in Miami, FL; Atlanta, GA; Chicago, IL; Dallas, TX; and New Jersey. United Floral Exchange and Cal-Americas are suppliers of fresh-cut flowers and bouquets to both mass market retailers and traditional retail florists.

Reader Service No. 337



2010 WFE SET FOR MARCH

HPP Worldwide, Amsterdam, Netherlands, announces the 2010 World Floral Expo will be held March 9-11 at the Doubletree Miami Mart/Airport Hotel & Exhibition Center, in Miami, FL. Quality cut flowers will be displayed from more than 15 countries from four continents. Country pavilions include Colombia, Costa Rica, Ecuador, Ethiopia, Kenya and Mexico. A Miami-based floral company tour is scheduled for March 10. A renowned Dutch floral designer will provide continuous flower bouquet demonstrations during all show days.

Reader Service No. 338



MY FAIR WEDDING

Passion Growers, Miami, FL, a premium rose provider, has helped four couples enjoy a dream wedding on the hit television series *My Fair Wedding* with David Tutera on WE TV. The series brings in a dream team led by celebrity party planner, David Tutera, on behalf of beleaguered friends and family members, to transform what could be a disastrous wedding into a platinum-style affair. Passion Growers' roses will be featured in four of the season's episodes, when Tutera takes thousands of roses and turns them into stunning wedding décor and displays.

Reader Service No. 339

NEW PRODUCTS



FLOWER POWER CONTINUES

burton & BURTON, Bogart, GA, introduces a stacked flowers vase made of hand-painted resin, measuring 8 inches high with a 1.25-inch opening. Packed in sets of three, the Spring 2010 vase complements other fun, colorful floral department products in the company's Petal Pop Collection.

Reader Service No. 340



EVE'S SEED KITS

Eve's Garden Inc., Land-O-Lakes, FL, debuts its newest additions to its line of Seed Kits – BONSAI BABY LAND and SNAPPY'S BOG. These unique kits are designed for children and adults to share the excitement of growing bonsai trees and SNAPPY'S "Bog-friends" from seed in adorable containers. The kit comes with everything you need; just add water.

Reader Service No. 341



ST. PATRICK'S DAY GEM

Blossom Bucket Inc., North Lawrence, OH, is sending the luck o' the Irish for floral department gift displays with its Girl with Pot of Gold collectible. The resin figure, designed by Suzi Skoglund, measures 3 inches high x 3.25 inches long.

Reader Service No. 342



DRESS IT UP WITH A BOW

Potter Inc., Bryan, OH, offers Hanging Basket Bows to gracefully accent any foliage or blooming hanging basket. These 6.5-inch, 18-loop, hand-tied bows with moisture-resistant ribbon are ideal for garden settings. Available in everyday, Fall, Christmas, Valentine's Day, Easter and Mother's Day colors, the hanging basket bows arrive in packs of 24.

Reader Service No. 343

Nurture Them With Nature

Floral retailers choosing to offer fresh, long-lasting foliage plants are setting the scene for comfort-seeking consumers. Here are eight ways to enhance year-round foliage sales.

BY E. SHAUNN ALDERMAN

Macaroni and cheese sales during the recession should be meaningful to floral retailers. Surging sales volumes on additional comfort items, such as chocolate and canned beef stew, also help paint a picture that may encourage retailers to present the floral department as comfort central.

During the difficult economy, savvy retailers monitoring the behavior of shoppers have looked to other departments, including produce and meat, to see how consumers reassure themselves. Though not always on top of the shopping list, live, long-lasting foliage plants provide comfort and satisfaction.

INDUSTRY OBSTACLES

The foliage industry does not receive the same spotlight as the floral side of the industry. Foliage industry members across North America nearly answered in unison when asked about the most frustrating element of the industry. For approximately the past 20 years, despite increased costs in materials, labor and energy, the wholesale and retail price of foliage plants has remained virtually the same.

Pricing is always an industry topic, and during the difficult economy, the quality-versus-price conversation continues. "In our company's experience, with more than 35 years of growing ferns, I have learned not every customer wants the cheapest product. In an industry that seems to be driven by the cheapest price, growers are missing out on a segment of the market that wants a better quality — not just a cheaper price," says Marv Erickson, vice president of sales for Razbuton Ferns, in Winter Garden, FL.

Last minute ordering also continues to be an industry thorn. Some growers are wondering if pre-booking has become a concept of the past. "If I could put in my wish



The longevity factor of foliage plants is a major selling point retailers can promote.

for 2010, I would ask for more pre-booking," says Rick Vaughan, president of Vaughan Inc., in Sanford, FL. He is concerned too many buyers habitually wait until the last minute to submit purchase orders. Pre-booking orders throughout the year, not just for Mother's Day, is a buying method Vaughan believes would bring a little peace to an often disorganized industry.

Bouquets, balloons and gifts are made available for every day and special occasion celebrations, but foliage plants are often taken for granted. Retailers can use the following eight industry-provided suggestions to enhance year-round foliage sales:

1) PUSH THE ECO ANGLE

With more eyes on the environment than ever before, retailers should jump on the eco wagon and push the enviro-friendly qualities of plants. Stores tout their own efforts when they tell consumers their measures to make the shopping experience more environmentally friendly. Marketing eco opportunities

throughout the year in the floral department can strengthen this message.

Make it an Eco Easter by promoting plants as Easter basket treats. Gail Cash, president of Flori-Design Inc., in Eustis, FL, encourages retailers to remind consumers that along with sweets, green goodies are fun, too. The Central Florida grower sells its trademarked Little Pot of Horrors Venus Fly Trap plants throughout the year. Cash believes floral departments can promote the green factor of plants in non-traditional ways.

"If consumers see themselves as environmental stewards, they will want to surround themselves with foliage plants to help clean the air in their homes," says Ben Bolusky, executive director of Florida Nursery, Growers and Landscape Association (FNGLA) in Orlando, FL. The 58-year-old organization collaborated with other industry entities to produce a *Think Green Live Green* brochure touting the air purification qualities of many interior foliage plants.

Some of the messages included in the

brochure are: "Plants improve indoor air quality by helping to remove chemicals such as formaldehyde and carbon monoxide. Plants act as the lungs of an indoor environment. Plants thrive on carbon dioxide and convert it into oxygen. The increase in oxygen allows humans to be more focused, creative, attentive, happier and most important, healthier."

The health benefits provide instant marketing campaigns for floral departments looking to boost foliage sales. Retailers can download a PDF of the *Think Green Live Green* brochure from www.fn gla.org/green for free. FNGLA provides the file and link as an industry service.

"The bottom line is that plants are a low cost solution to indoor air pollution," says Flori-Design's Cash. She sees unlimited potential to marketing the health benefits of foliage.

2) HIGHLIGHT LONGEVITY

Consumers looking to buy a product that will not be thrown away in a week should be encouraged to buy plants. "I would like the consumers to consider longevity of the products they purchase, and consider that some plants that cost a bit more will give them years of value, compared to others that will normally die within a few weeks or months," says Clint Bishop, director of sales and marketing for Schubert Nursery Inc., Salinas, CA. He adds, "It would be nice if people would consider that in the price they pay at the register, too. When you buy one of our products, you generally won't have to replace it in months or years, so it actually costs less than many alternatives."

Vaughan of Vaughan Inc. also believes the longevity factor of foliage plants is a major selling point that needs to be better conveyed. "If taken care of, plants can last a long time." He sees opportunities for retailers to enlighten consumers.

Consumers like to feel good about their plant purchases and buying quality, even in a challenging economy, meaning plants need to look good and perform well. "I would like to see more buyers involved in visiting and learning about the products we grow. Many times, the buyers are so bogged down in detail work they can't get out and make the important trips that help them gain product knowledge and get up-to-date information," explains Bishop of Schubert Nursery.

3) INVITE CHILDREN

A Terrarium Club for Kids could be hosted once a month and new plant products could be introduced. Retailers knowing their demographics choose a time when parents or grandparents can easily bring the children into the store. Build enthusiasm for the

event on the store Web site and with in-store signage. Retailers can use plants as teaching tools by showing maps where certain plants are grown, how they can be enjoyed in the home and how caring for plants makes people feel good.

Eve Johnson, president of Eve's Garden Inc., in Land-O-Lakes, FL, believes learning about plants and the environment creates perfect together-time for families. The company recently introduced two seed kits designed for children. Bonsai Baby Land teaches children to grow their own bonsai trees and Snappy's Bog shows young enthusiasts how to grow ferns and other plants appropriate for bog conditions. Johnson says parents will especially appreciate the additional information offered on a Web site where children can register and become grower members.

4) CREATE REPEAT SALES

Floral retailers can guest-sponsor a plant craft project for members of a local organization showing shoppers what they can create with items purchased in the floral department. Strategic planning will boost foliage sales during non-holiday periods when sales are especially needed. With a focus on the home and hearth during a difficult economy, consumers often build their collections. Retailers can introduce a Plant-of-the-Month and promote products on the store Web site as a way to encourage plant collectors to purchase new varieties every month.

5) OFFER CONVENIENCE

Plants and flowers can be intimidating enough for many consumers without them having to search for prices or figure a way to carry the product out of the store. For 2010, Bishop of Schubert Nursery believes convenience will be a key factor in boosting foliage sales. "I see consumers going for more and more upgrades. I think the grab-and-go upgrades will continue to increase. As we have busier and busier lives, fewer people have time to shop for a plant, container and card separately," explains Bishop.

6) PROVIDE CARE AND HANDLING TIPS

Shoppers don't want to look stupid when it comes to plant care, but they don't want to ask for help. Or, some may want to ask, but often there is no store help around who knows anything about plant care. Retailers should provide plant care and handling information with every floral department purchase. When shoppers buy a package of shoulder steak in the meat department, the price label includes care and handling information and often cooking instructions. Cash

"I would like consumers to consider longevity of the products they purchase, and consider that some plants that cost a bit more will give them years of value, compared to others that will normally die within a few weeks or months."

**— Clint Bishop
Schubert Nursery Inc.**

of Flori-Design believes retailers and growers should work together to provide consumers with easy-to-follow care and handling information. Many retailers use store Web sites to provide plant care and plant identification information.

7) CROSS MERCHANDISE

Retailers will want to look to other departments and see how plant sales can be boosted by a few product placement efforts. The bakery may be located on the other side of the store from floral. Some retailers offer grab-and-go plants for shoppers buying grab-and-go bakery goods. Watching the deli department or salad bar to monitor how many office workers make to-go purchases during the lunch hour is also a strategic measure. Those same shoppers are potential foliage customers, because if they work close enough to come in for lunch then they most likely could carry a dish garden or potted plant to place on an office desk.

8) ASK FOR FEEDBACK

Retailers can think of the floral department as a restaurant where the goal is to offer the freshest items in season, present them in an appealing way at appropriate prices, and then ask for feedback from the consumers. Retailers need to make it easy for shoppers to indicate what they want by providing feedback cards, which can be completed and submitted in the store. A Web site or e-mail address for shoppers interested in submitting their comments online should also be provided. **pb**



Pricing Pendulum

During the early part of the 1970s, a large, high-quality apple grower-shipper's promotional pricing included requiring the retailer to reduce the advertised retail only to the extent the retail gross profit margin would not go below a certain level.

On the surface, this appeared to be a good program for everyone. Obviously, the consumer was able to receive a better value. Cross-shopping consumers caused limited pressure on other producers to alter their selling prices, thus marginally affecting retail competitors' apple sales. The supplier of the sale product obtained an increase in volume, but when averaged with the amounts sold at regular market prices, the overall average was more than acceptable.

The only problem was the retailer involved had surrendered the responsibility to control its marketing programs. Eventually, when the retailer began expanding the procurement horizon, the apple supplier began to recognize the retailer was the one to best set its own apple retail prices, regardless of cost or prices of alternative items as the retailer had the responsibility for its overall produce sales, profits and marketing objectives in relation to competitive activity.

In the years following, a nearly perfect storm of opportunities occurred to place produce retail operations in the driver's seat when it has come to having price control. Almost simultaneously, the development of improved varieties, product globalization and more efficient distribution systems provided the increased and improved product supply. For several decades, there was steady growth in nearly all phases of retail produce achievement. Consumers were happy, and while there was infrequent grumbling among commodity groups finding themselves with excess supply, overall, producers were also beneficiaries.

Concurrently, an ever expanding price competition for packaged, dry grocery items was reducing those margins to levels requiring improved perishable margins if retailers were to maintain overall profitability. With the wide variance among stores in their produce offering, it was becoming more apparent produce departments represented a primary reason why consumers chose a particular store or chain to frequent over another. Produce departments moved to be located early in the shopping pattern and expanded the number of SKUs on a year-round basis. Not to be lost in the producer retailer relationship has been the gradual concentration of retail operators' buying power.

With the development of computerization, retailers began to understand the elasticity of price changes for individual items and relative price effects related to alternative items. Software programs for developing the most effective pricing programs

now proliferate, being utilized by both retailers and suppliers of manufactured products.

One type of program being used is the adjustment of retail SKUs to improve price perception by utilizing customer sales data to create a price optimization, which balances revenue, volume and margins. An initial step is segregating items into the three categories of highly elastic aggressive image-generating, competitively sensitivity pricing and profit margin generators. The primary objective is the reduction of average retail SKUs, while increasing profitability from expanded volume.

Even in the perishable world of dynamic supply and product cost, changes to this and similar retailing concepts are important for producing groups to understand, as they try to cope with the production consequences nature deals them, in order to recognize the promotional reactions that may be forthcoming among the various retail entities.

As these sophisticated retail-marketing programs were being developed, improving consumer economic conditions compensated for higher prices providing increasing margins. All was well until the economy hit a wall in 2008. With continually increasing produce retails partially offsetting lower margins elsewhere in the store, the apparent increase in fresh fruit and vegetable sales dollars was creating a decline in overall produce tonnage. As a result, the pricing pendulum started to change

Retail promotional pricing once again started to recognize the importance and contribution of lower retails for highly elastic aggressive image items in an economy with nearly 20 percent of workers underemployed. Bananas, apples and potatoes — basic stomach fillers —

at a much lower price level generated "price-war" terminology, but more importantly, department tonnage increases.

This year, apple growers in Michigan found they were harvesting one of the largest volumes in recent memory. After a year of nearly record prices for the previous year's crop, they quickly reacted with substantial price reductions gathering the attention of retailers over an ever-widening geographic area. With the opportunity for retailers to profitably promote a highly elastic image-generating item, Michigan producers have sold record volumes during the initial two months of their marketing season and some growers anticipate overall dollar returns comparable with the previous year.

It is important for all segments of the produce industry to understand the complexities of current retail produce pricing programs, their relationship to the overall retail marketing program and how both influence produce tonnage consumers purchase as they react to the pricing pendulum swings caused by changing economic conditions.

Retail promotional pricing once again started to recognize the importance and contribution of lower retails for highly elastic aggressive image items.



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Mr. Philippe Binard, general delegate of Freshfel Europe, headquartered in Brussels, Belgium.

Freshfel: Promoting Produce In The European Union — Part II

In Part I of this interview, *PRODUCE BUSINESS* explored the role of Freshfel Europe within the continent's produce industry, the organization's reach and the structure of its Board of Directors. In this, the concluding segment, the magazine will take a closer look at some of the specific marketing initiatives undertaken, as well as the group's position on food safety, traceability, sustainability and organics.

Q: Freshfel issued a press release to promote the consumption of fresh fruit and vegetables to help with the prevention of H1N1. Has the organization pursued any other avenues of educating people about preventing the spread of the flu or how fresh produce can benefit the overall health of a person's immune system?

A: So far, Freshfel's activities have been limited in this respect. But more is definitely needed in communicating the healthy aspects of fresh produce. In the particular case of the flu, fruit and vegetables have much to offer in regard to prevention, and our objective was to emphasize these simple, tasty options. More generally, in regard to communication, it is difficult in the European environment to communicate directly with consumers given the differences of culture, languages, etc. But Freshfel could streamline and centralize information and assist those who more directly communicate with consumers so they can benefit from the background information prepared by Freshfel or some of its members. This is another way to bring synergies within the sector.

Q: In 2007, Freshfel drew up a charter aimed at increasing the availability of fresh fruit and vegetables in the workplace. How is this movement progressing?

A: This charter is to give a signal that changing behaviors and attitudes is possible. The charter is so far only signed up within the Freshfel membership. Many prominent members, having signed the charter, now effectively offer more healthful options to employees or visitors. To be successful, the charter should be extended well beyond the Freshfel membership, but unfortunately, resources at the small scale Freshfel secretariat are lacking... We believe that mentality can easily be changed, and it is not too difficult to move toward more healthful snacks or lunch options at work. We have also succeeded within the European Platform for Diet and Physical Activities to provide a fruit basket for delegates attending the meeting to enjoy. The fruit basket is very popular among the attendees, demonstrating that availability generates interest!

Q: Is Freshfel addressing the ever-pressing issues of food safety and traceability?

A: We have been dealing with traceability issues since 2000 with

the elaboration of fresh produce traceability standards between Freshfel and GS1 in anticipation of the upcoming general food law in Europe, which would introduce compulsory traceability requirements. Since then, the matter is punctually kept on the association's radar screen to monitor new developments, namely some new requirements within GlobalGAP, but also the U.S. development, which in a broad sense was inspired by the European scheme. In general, food safety remains high on our agenda. In Europe, the matter is primarily influenced by the debate on active substances, the maximum residue limit and the sustainable use of pesticides. The matters relating to microbiological criteria are less acute in Europe than in the United States. Issues relating to private standards on GAP or GDP are also closely monitored, as well as legislative developments on marketing standards.

Q: Does Freshfel work with other international organizations to promote the consumption of fresh produce? If so, which ones and to what degree? Are there any joint programs that have been done?

A: As mentioned earlier, Freshfel is not carrying out programs, per se, or promotional activities. However, Freshfel cooperates on such matters with other organizations, such as other national fruit and vegetable associations at EU-level, which carry out such programs. On an international level, Freshfel maintains contacts with international organizations, such as the World Health Organization, but also exchanges with PMA/PBH and United Fresh.

Q: What is Freshfel's official position on Sustainability and Organics?

A: Sustainable production and consumption will be a key issue during the coming years, and it is of paramount importance to address these matters and will even grow in importance with the climate change debate and all the related matters to this important topic. Several issues are at stake, ranging from terminology, methodology of calculation, targets and labeling. Organics is a market segment with a specific legislation that deserves to be followed carefully. Moreover, organics are becoming more and more a part of consumers' preferences or part of public authorities' requirements, as recently demonstrated by the new EU requirements for "green public procurement." Besides, other market segments based on other methods of production should also be kept in our mind, as the conventional production, and also more importantly, product grown under the integrated production method. It will be important to develop European guidelines for integrated production. For the time being, these common guidelines are not available, despite the fact that product grown under integrated production represents the largest produce segment.

pb



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Blast from the Past

While much has changed in the city of Detroit, MI, especially recently, the produce industry has managed to keep its longstanding ties to the city intact, most notably in the form of the Detroit Produce Terminal. Built in 1929, the Terminal included an auction house, (pictured at right) where lively produce auctions would take place on a regular basis. Though the auction room remains in the Terminal building, it is currently unused, as regular produce auctions stopped back in the 1980s.

Ben B. Schwartz (inset) of Ben B. Schwartz and Sons Inc. is seen attending this auction in 1945 — he is seated in the third row, third from the right, with the hat and glasses — presumably poised to purchase produce for his business, which he founded with his wife, Belle, in 1906. His company was actually the first to receive a railcar of produce from the Pennsylvania Railroad Co. Freight Bill No. 1, dated July 1, 1929, was made out for 448 50-lb crates of Georgia-grown bell peaches that were sold for 73 cents each.

Chris Billmeyer, president and CEO, who is married to Ben's granddaughter, Janice, remarks, "There are so many possibilities in and around the Detroit Produce Terminal. If you're going to lament all of the changes in Detroit, you will miss the opportunities. The future is happening as we speak," and Ben B. Schwartz and Sons Inc. is ready to tackle it head-on with a recently completed new staging area, nine truck bays and two large coolers — one exclusively for wet vegetables.

The *Blast from the Past* is a regular feature of *PRODUCE BUSINESS*. We welcome submissions of your old photos, labels or advertisements along with suggested captions. Please send materials to: Editor, *PRODUCE BUSINESS*, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail info@producebusiness.com



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Agrexco USA, Ltd.	34	66	718-481-8700	718-481-8710
Basciani Foods, Inc.	32	48	610-268-3044	610-268-2194
BelleHarvest Sales, Inc.	70	17	800-452-7753	616-794-3961
Blue Book Services.	79	57	630-668-3500	630-668-0303
Booth Ranches, LLC	52	39	559-626-7653	559-626-4818
Brooks Tropicals.	67	12	800-327-4833	305-246-5827
Canadian Produce Marketing Association	70	4	613-226-4187	613-226-2984
Capital City Fruit Co., Inc.	58	34	515-981-5111	515-981-4564
Champ's Mushrooms	30	43	866-Champs1	604-607-0787
Chilean Avocado Importers Association	37	35	202-626-0560	
Chilean Fresh Fruit Assoc.	INSERT		916-927-1217	916-927-1297
Combs Produce Company	63	62	800-466-6086	214-747-1070
Corona Marketing Co.	65	49	805-346-2114	805-346-8138
Customized Brokers	36	50	305-471-8989	305-471-8988
D'Arrigo Bros. Co. of New York	57	33	800-223-8080	718-960-0544
Dole Fresh Vegetable Co.	2	67	800-333-5454	831-754-5243
dProduce Man Software.	58	51	888-PRODMAN	650-712-9973
East Coast Brokers & Packers, Inc.	83	52	800-557-7751	863-869-9850
Eclipse Berry Farms, LLC	64	11	310-207-7879	310-207-7868
Edinburg Citrus Association	54	38	956-383-6619	956-383-2435
Fisher Capespan	39	3	800-388-3074	514-737-3676
Genpro Transportation Services, Inc.	69		800-243-6770	973-589-1877
Giorgio Fresh Co.	30	40	800-330-5711	610-429-3810
The Giumarra Companies	43	54	520-281-1981	213-628-4878
Grower Alliance, LLC	48	16	520-761-1921	520-377-9189
Hess Brothers Fruit Co.	70	24	717-656-2631	717-656-4526
Highline Mushrooms	32	56	519-326-8643	519-326-7222
Ideal Sales, Inc.	62	14	800-999-7783	214-421-0277
Index Fresh of California	17	8		
Inline Plastics Corp.	25	20	800-826-5567	203-924-0370
Interex Corp.	44	32	888-441-8676	
JAC. Vandenberg, Inc.	39	63	914-96-5900	914-964-5901
Jem D International	45	6	519-733-3663	519-733-9970
Keystone Fruit Marketing, Inc.	71	58	717-597-2112	717-597-4096

COMPANY	PAGE #	RS#	PHONE	FAX
Tom Lange Co.	61	64	217-786-3300	217-786-2570
LGS Specialty Sales, Ltd.	53	1	800-796-2349	718-542-2354
Lisa Inc.	42	7	520-281-1863	520-281-2848
M&M Farms, Inc.	68	30	800-634-7898	305-233-0813
Mann Packing Company, Inc.	9	5	800-884-6266	831-422-5171
Market Source	48	25	262-671-2108	414-906-8809
MIXTEC Group	68	41	626-440-7077	626-440-1557
National Watermelon				
Promotion Board	14-15	31	407-657-0261	407-657-2213
New York Apple Association, Inc.	71	60	585-477-7200	585-477-6770
Niagara Fresh Fruit Co.	71	13	716-778-7631	716-778-8768
Northern Plains Potato Growers Assn.	19	36	218-773-3633	218-773-6227
Nova Produce, LP	42	65	239-444-1140	239-592-9392
Pandol Brothers, Inc.	38	22	661-725-3145	661-725-4741
Phillips Mushroom Farms	31	29	800-722-8818	610-444-4751
Produce for Better Health Foundation	27	61	302-235-2329	302-235-5555
Produce Pro Software	34	68	630-395-0535	630-572-0390
Red Blossom Farms, Inc.	64	26	805-981-1839	805-693-0032
Rice Fruit Company	71	21	800-627-3359	717-677-9842
Riveridge Produce Marketing, Inc.	71	23	800-968-8833	616-887-6874
SAGARPA - Embassy of Mexico	46-47	47	202-728-1729	202-728-1728
Sambailo Packaging	28	19	800-563-4467	831-724-1403
Sounteast Produce Council	13	27	813-633-5556	866-653-4479
Success Valley Produce	64	28	805-240-2333	805-240-2330
Sun World International	39	62	661-631-4160	760-398-9613
SunnyRidge Farm, Inc.	64	55	863-299-1894	863-299-7794
Tanimura & Antle, Inc.	84	37	800-772-4542	831-455-3915
Thomas Produce Sales, Inc.	42	42	520-281-4788	520-281-2703
Trinity Fruit Sales	38	44	559-433-3777	559-433-3790
United Fresh Produce Association	7	45	202-303-3400	202-303-3433
United Fresh Produce Association	49	46	202-303-3400	202-303-3433
Well-Pict Berries	64	18	831-722-3871	831-722-6340
West Lake Fresh	64	15	831-724-0644	831-724-0117
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